

الآن من العمل

FINANCIAL TIMES



Smart cards

Who wants an electronic purse?

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IT in Europe

One race, many roads

Technology, Page 6



Separatism in Italy

Umberto Bossi's beguiling brew

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TOMORROW'S
Weekend FT

Hunt for the missing major

World Business Newspaper <http://www.FT.com>

FRIDAY AUGUST 23 1996

Chinese call on Taiwan to resume reunification talks

China called for a resumption of talks with Taiwan in an attempt to increase pressure on Taipei over speeding up progress towards reunification. China's leading negotiator with Taiwan, Tang Shuhui, said Beijing wanted a peaceful reunification and an end to hostility. Page 10: Anger at impasse, Page 4

Germans discuss Euro problems: German businessmen met government officials to discuss expected problems when the D-Mark is replaced by the euro in European monetary union, even though the switch is not scheduled until 2002. Page 10

Reindeer of the UK: the world's largest business services group which took control of BET earlier this summer, announced a 35.6 per cent increase in first-half profits to £14.5m (£20.8m). Page 11; Lex, Page 10

Hungary delays energy price rises: Hungary will postpone controversial energy price rises it promised international investors last year, after the cabinet rejected the state energy office's proposals. Page 2

Norske Skog: Norway's largest pulp and paper group, reported a 22 per cent jump in first-half earnings from Nkr857m to Nkr1.04bn (£123m). Page 13

Peru's president seeks third term: Peruvian opposition leaders have attacked an attempt by President Alberto Fujimori to stand for a third five-year term, saying it is unconstitutional and an effective coup d'état. Page 10

BASF: the German chemicals group, reported a 3.5 per cent increase in first-half profits to DM2.33bn (\$1.96bn), after favourable currency movements lifted earnings by DM200m. Page 13

Australia leads push for N-test treaty: Australia said it would take the lead in international efforts to rescue a comprehensive nuclear test ban treaty following India's move to veto the draft text in negotiations in Geneva. Page 3

UN criticises Bosnian police: The United Nations said police in north-western Bosnia were failing to stop violence against opposition voters despite promises to support free and fair elections next month. Page 2

Egypt threatens to cancel conference: Egyptian president Hosni Mubarak threatened to cancel a Middle East economic conference in November unless the Israeli government started honouring its peace commitments. Page 3

Cassens: the camera and optics equipment maker, more than doubled first-half profits to \$68.7bn (£68.2m) following strong demand for semiconductor chips and computer-related products, and the weaker yen. Page 12

Apec members reject IT plan: Seven Asia Pacific Economic Co-operation forum members distanced themselves from US proposals to liberalise trade in information technology, saying it would unfairly benefit US groups. Page 3

Seoul to crack down on protests: The South Korean government said it would crack down on demonstrations after a riot policeman died following the recent protest at Seoul's Yonsei University. Page 4

Thousands attend Belgian girls' funeral:



About 5,000 Belgians attended the funeral (above) in Liege of two eight-year-old girls who starved to death after their abduction by a paedophile gang. The bodies of Julia Lejeune and Melissa Russo, who disappeared in June last year, were this week discovered by police in the garden of convicted child rapist Marc Dutroux.

Crickets: John Crawley's innings of 94 helped England reach 278 for six on the first day of the third Test against Pakistan at The Oval, London. Pakistan lead the three-match series 1-0.

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STOCK MARKET INDICES

New York Stock Exchange
Dow Jones Ind Av 5,725.44
Nasdaq Composite 1,160.00
Europe and Far East

CAC40 2,617.76
DAX 2,557.25
FTSE 100 3,891.1
Nikkei 21,563.24

US LUNCHTIME RATES

Federal Funds 5.17%
3-month T-bill 5.114%
Long Bond 9.95%
Yield 9.945%

OTHER RATES

UK 3-month interbank 5.14%
UK 10 yr Gilt 9.75%
France 10 yr OAT 10.52%
Germany 10 yr Bund 9.52%
Japan 10 yr JGB 9.52%
Yield 9.52%

NORTH SEA OIL (Argus)

Brent Dated \$21.28 20.749
DM 231.64 22.797

Surprise over sharper than expected reduction aimed at boosting recovery

Germany cuts repo rate to 3%

By Andrew Fisher in Frankfurt,
David Owen in Paris and
Richard Adams in London

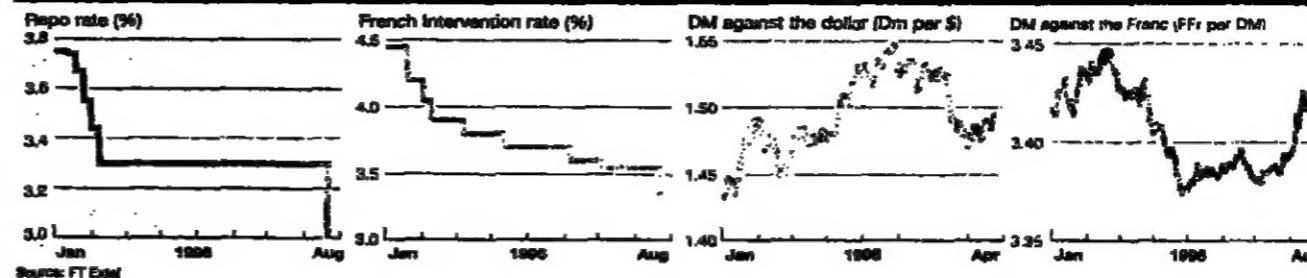
The Bundesbank yesterday cut one of its key interest rates more sharply than expected in an apparent bid to reinforce the German economic recovery and help support the shaky French franc.

The German central bank lowered its securities repurchase (repo) rate, through which it influences the money market, from 3.3 per cent to a new low of 3 per cent, citing slower growth in the money supply as the main reason for the move.

European share and bond prices moved ahead on the news and the dollar strengthened against the D-Mark.

In London, news of the

Bundesbank rate cut is welcomed in France but not by holders of D-Marks



Bundesbank's decision was

greeted with shouts of surprise on trading floors.

The Bank of France quickly followed the Bundesbank, cutting its intervention rate by 0.2 percentage points to 3.35 per cent.

Last month, President Jac-

ques Chirac criticised the management of France's banking system and said French and German interest rates were

"clearly too high". His

remarks are widely believed to have contributed to this month's depreciation of the franc.

Yesterday, the French cur-

rency and the Paris stock market responded favourably to the reductions. The franc rose

strongly against the D-Mark, to FF13.409 at close of trading in London, from FF13.421 on Wednesday.

The benchmark CAC-40

dealers expect French interest rates to be about 3.90 per cent next month.

A repo rate cut had been expected after the Bundesbank took no action at its last council meeting in July, but most economists and traders had expected a cut to around 3.2 per cent. Several economists thought further repo cuts and even a lower discount rate - currently 2.5 per cent - were now possible.

Mr Hans Tietmeyer, Bundesbank president, said the reduced July growth rate in the M3, the broad monetary aggregate, announced this week was "decisive" in the

Continued on Page 10
Surprise for markets, Page 2
Editorial Comment, Page 9
Lex, Page 10; Bonds, Page 14

Chechen refugees return to 'hell on earth' after Lebed grants reprieve

Civilians brave crossfire to go back to Grozny

By Charlotte Freeland
in Akhmed Yurt, Chechnya

The dozen citizens of Grozny, the shattered capital of Chechnya, yesterday set out on what is probably the most dangerous bus trip in the world.

They fled the city earlier this week after Russian military commanders gave civilians 48 hours to leave. Yesterday, Mr Alexander Lebed, Russia's national security chief, announced a reprieve and, in spite of fears that it might be a short one, they boarded a rickety bus and prepared to return home.

"All I possess is this dress you see me wearing, and it was given to me by kind people who took pity on us refugees," said Mrs Malika Sulava, a 38-year-old housewife returning to Grozny with her nine-year-old son and her husband.

"Everything I ever created in my whole life is there: my home, my cows, my clothes. Without all this there is no life for me, so I must go back."

From their starting point, a dirt road on the outskirts of Akhmed-Yurt, they could see the dancing flames and clouds of black smoke from Grozny's blazing oil refinery.

Their driver predicted the journey would take no more than 40 minutes. But they would have to pass hostile Russian military checkpoints and travel along a road across which Russian soldiers and Chechen separatists regularly

Russian president Boris Yeltsin yesterday appeared in front of the mass media for the first time since his absence on holiday and rumours about his health, but kept his distance from the television cameras. Meanwhile, Mr Alexander Lebed, the national security chief, signed a ceasefire deal with Chechen separatists. Mr Lebed said he and Mr Aslan Maskhadov, the Chechen chief of staff, were ready to agree a nine-point deal for the partial withdrawal of troops from Grozny, establishing a joint military police to investigate breaches of the ceasefire. Report Page 2

trade fire. The travellers expected to re-enter a city which one woman passenger described as "hell on earth" with little food, no running water or electricity and unburied corpses in the streets.

Most passengers said they were making the trip because, after two years moving between their city homes and the safer countryside, they were determined to protect the only possessions they had left.

One, Mrs Zara Gatsayeva, said: "If the federal forces [Russian soldiers] don't take it, our own murderers will."

Their driver predicted the journey would take no more than 40 minutes. But they would have to pass hostile Russian military checkpoints and travel along a road across which Russian soldiers and Chechen separatists regularly

Russian president Boris Yeltsin returned, after a mysterious two-day break, to the Kremlin where he greeted Tatyana Dmityreva, who is set to be named health minister

Picture: Reuters

am going back to retrieve my daughter's corpse."

Mrs Rugeval Salgareeva, a middle-aged matron in a white headscarf, said she and other refugees fleeing Grozny on Sunday had been forced to surrender most of their possessions to secure safe passage.

"They took everything - gold, my husband's wedding ring, my earrings. They said if you want to live put everything down," she said.

As they were preparing to leave, there was some gratification for Mr Lebed's intervention. "Lebed is our last and only hope," said Mrs Usipova.

Telefonica and Kirch link up in digital TV venture

By David White in Madrid and
Raymond Smiley in London

Telefonica, the partly privatized Spanish telecommunications organisation, has agreed in principle with Germany's Kirch group to set up a digital television joint venture in Spain which would involve investments estimated at Pta500m (£1.2m).

Telefonica said other shareholders might join the planned venture, the latest move in a Europe-wide race to launch digital television systems capable ultimately of offering several hundred television channels.

The Spanish side has set two main conditions: that it should hold the controlling stake in the joint venture and that the network should be available to any programme provider.

Mr Villalpando first outlined Telefonica's ambition to establish a "platform" for digital television channels last month. The company said the move was part of its strategy of being involved in all areas of telecommunications.

The main aim of investment would be not so much on satellite communications, in which Telefonica was well placed, but on new multi-use decoders.

Telefonica said that Canal Plus, the Spanish affiliate of the French group already providing encrypted television, would not be excluded from the new system.

British Sky Broadcasting, the UK satellite venture con-

US crackdown puts pressure on cigarette groups

By Richard Tomkins in New York and Patti Waldmeir in Washington

Political and legal challenges were yesterday converging to put the US tobacco industry under some of the most acute pressures it has recently faced.

President Bill Clinton was expected to announce as early as today a crackdown on underage smoking by giving the Food and Drug Administration sweeping powers to regulate cigarette makers.

Separately, the industry is awaiting the outcome of an Indianapolis court case in which the big tobacco companies are being sued over the death of a smoker from lung cancer. The jury could deliver its verdict today.

Tobacco stocks have slumped amid worries over the Indianapolis case because it follows a verdict two weeks ago by a jury in Florida awarding \$750,000 against the industry. That decision, in a similar case, stunned tobacco manufacturers, which had never previously paid out any damages.

Investors fear another verdict against the cigarette makers will open the flood gates to vast numbers of claims.

At midday in New York yesterday, shares in Philip Morris, the biggest US tobacco company, were 5.1% down at \$83.60, some 18 per cent below the level of two weeks ago. Shares in RJR Nabisco, the second biggest tobacco company, were up 5% at \$25 - some 21 per cent below their level two weeks earlier. In London, shares in BAT Industries, parent of the US's Brown & Williamson Tobacco, closed 24p down at 42p.

Mr Clinton's expected move against under-age smoking, first proposed a year ago, worries tobacco manufacturers not so much because of its new limits on the advertising and sale of cigarettes, but because it means bringing the industry under the regulatory authority

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Fears ignited, Page 5
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STOCK MARKET INDICES	■ GOLD
New York Stock Exchange	New York Comex (Dec) \$392.50 (30.9)
Dow Jones Ind Av	5,725.44 (+3.62)
Nasdaq Composite	1,160.00 (+13.15)
Europe and Far East	London close 3307.65 (307.15)
CAC40	2,617.76 (+17.12)
DAX	2,557.25 (+13.52)
FTSE 100	3,891.1 (+19.0)
Nikkei	21,563.24 (+88.22)
■ LUNCHTIME RATES	■ DOLLAR
Federal Funds	5.17%
3-month T-bill	5.114%
Long Bond	9.95%
Yield	9.945%
■ OTHER RATES	■ DOLLAR
UK 3-month interbank</	

Mubarak threat to cancel summit over Israeli stance

By Sean Evers in Cairo and David Gardner in Jerusalem



President Hosni Mubarak of Egypt threatened yesterday to cancel a Middle East economic conference scheduled for November unless the right-wing government in Israel started meeting its peace commitments.

In spite of Israel's declaration of respect for the principles on which the peace process was founded, Mr Mubarak said: "No progress has been made on the ground... I call on Israel to make progress, otherwise the economic summit will be irrelevant."

Scheduled to take place in Cairo on November 12-14, the US-sponsored regional conference is intended to promote economic integration between Israel and its Arab neighbours, with the political settlement. But the peace process has been stalled since the May election of the Israeli government. Prime

Minister Benjamin Netanyahu abandoned the "land for peace" principle and lifted a four-year freeze on new Jewish settlements in Palestinian self-rule areas.

Cancellation would deal a serious blow to US-backed attempts to provide economic foundations for detente in the Middle East. It could also have a serious impact on the Israeli economy. In the last four years of

Mr Mubarak said that after giving Mr Netanyahu more than two months to act on peace, the world could not wait much longer. "We are worried that the length of time could affect the peace process. If there's no clear progress in the implementation of the agreements and entering negotiations, I believe that many countries will not come to the conference," he told academics in Alexandria.

The Egyptian president's remarks were the strongest sign yet that Egypt is reconsidering going ahead with the conference, the Arab and most Arab states attended the previous two, held in Casablanca in 1994 and Amman in 1995.

Cancellation would deal a serious blow to US-backed attempts to provide economic foundations for detente in the Middle East. It could also have a serious impact on the Israeli economy. In the last four years of

Arab-Israeli peace-making, Israel's economy has been able to grow 25 per cent, because it broke out of diplomatic isolation and new markets – particularly in Asia – opened up to it.

As a key intermediary in the peace process, Egypt believes that Israel's recent economic success has leaned heavily on the legitimacy provided by the peace process and conversely Arabs can pressure Israel by withdrawing their approval.

Cairo, which hosted the first Arab League summit in six years at the end of June following Mr Netanyahu's victory, is under pressure from other Arab countries to scale back commercial and diplomatic ties with Tel Aviv. The June summit warned that the process of "normalisation" with Israel would stop if the Netanyahu government stuck to its refusal to negotiate the return of conquered Arab land in exchange for peace.



Palestinian president Yasser Arafat accompanies Norway's Terje Larsen, UN special envoy to the West Bank and Gaza, yesterday. Mr Larsen has warned that the Palestinian Authority faces financial collapse if an Israeli blockade is not lifted and promised international aid fails to arrive.

now being observed by the five nuclear powers.

But on Tuesday, India

declared its readiness to transmit the text to New York. New Delhi objects to the treaty because it does not contain a time-bound commitment by the nuclear powers to scrap their nuclear arsenals and because it requires ratification by India and 43 other nations in order to come into force.

Western nations regard these arguments as specious and many developing countries have also been dismayed by the Indian decision to take the draft pact directly to the United Nations General Assembly in New York. "The treaty text must not be allowed to die," he said.

Unlike the 81-member disarmament conference, which operates by consensus, the General Assembly can approve the pact by majority vote.

All five declared nuclear powers – the US, UK, Russia, China, and France – are backing the Australian move, but it is not clear whether they will become co-sponsors of the UN resolution. Mr Starr said the Canberra government had not yet taken a final decision on how to proceed.

However, the treaty's supporters hope to stick to the original timetable of having it endorsed and ready for signature by the General Assembly's 51st session, beginning on September 17.

Australia, with New Zealand and Mexico, sponsored last year's General Assembly resolution asking the disarmament conference to propose a nuclear test ban treaty for signing next month.

The draft pact, the outcome of 31 months of negotiations in Geneva, would permanently outlaw all nuclear explosions, enshrining in international law the voluntary moratorium on testing

now being observed by the five nuclear powers.

Australia to lead N-pact rescue effort

By Frances Williams in Geneva

Australia yesterday declared its readiness to take the lead in international efforts to rescue a comprehensive test ban treaty (CTBT) following India's formal move earlier this week to veto the draft text in negotiations in Geneva.

Mr Richard Starr, Australia's ambassador to the Geneva-based United Nations disarmament conference, said his government would work with "friends of the CTBT" to take the draft pact directly to the United Nations General Assembly in New York. "The treaty text must not be allowed to die," he said.

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Ban on Arafat critic's books

The Palestinian self-rule administration of Mr Yasser Arafat has banned the books of one of its most eloquent and internationally renowned critics, Mr Edward Said, writes David Gardner in Jerusalem.

Mr Said, a Jerusalem-born Palestinian and US citizen who is professor of English and comparative literature at Columbia University, has long advocated peaceful settlement between the Palestinians and Israel. But he has strongly criticised the 1993 Oslo accords as unworkable, and so one-sided as to amount to a capitulation by Mr Arafat.

Probably his worst crime, in Mr Arafat's eyes, is to question the political, technical and linguistic competence of Palestinian negotiators. This is a criticism echoed by Palestinian experts when the PLO withdrew them a year ago from negotiations on the "interim" self-rule stage of the peace process, in which they and Mr Said believe damaging concessions were

made. The Palestinian ministry of information was unable to comment on the ban yesterday, but two bookshops in Ramallah, near Jerusalem, said they had been told to withdraw the books. Ms Zeinab Estrada, Mr Said's secretary in New York, confirmed the ban but said the professor was hospitalised with pneumonia and unavailable for comment. Mr Ziad Abu Ein, a member of the Palestinian legislature, told Reuters news agency he would be raising it in the legislative council.

The ban fits into a widening pattern of abuses by Mr Arafat's increasingly autocratic administration, including the death under torture of nine dissidents.

Since a series of suicide bombings inside Israel in February and March, Mr Arafat has come down hard on Islamic fundamentalist factions such as Hamas. But even before then he was in conflict with a Palestinian civil society born out of the nationalist struggle.

WORLD TRADE NEWS DIGEST

S Korea foreign investment move

South Korea yesterday said it would offer foreign companies the free lease of state-owned land for a period up to 20 years as a part of a programme to encourage foreign investment.

South Korea has one of the lowest rates of foreign investments in East Asia due to bureaucratic controls and the high cost of land. As part of its application to join the Organisation for Economic Co-operation and Development (OECD) this year, Seoul has promised to reform its foreign direct investment policy.

The government reiterated earlier promises that foreign companies will no longer need state approval to make investments in the country from next year. Friendly mergers and acquisitions will be permitted, although the government reserves the right to approve agreed takeovers of companies with assets of \$2.5bn or more.

Foreign-owned enterprises will be able to borrow long-term loans of five years or more from their parent companies from 1998.

John Burton, *Scout*

Siemens in \$2bn China deal

Siemens, the German electrical and electronics group, said yesterday it was heading a consortium to equip one of China's biggest coal-fired power plants costing nearly \$2bn. With Foster Wheeler Energy of the US, Siemens power generation group KWU will provide more than \$700m worth of equipment and services.

Siemens said its share of the consortium's contract would be at least 50 per cent. The contract for the plant, ordered by the Yangtze International Power Generating Company (Yipco), was signed yesterday in Beijing. The plant will be one of China's largest at 2,100 MW. Siemens is involved in five coal-fired power plant projects in China totalling 5,100 MW. The plant will be built on a coal mine site 800 km south-west of Beijing in Shandong province.

Andrew Fisher, Frankfurt

Chip market 'worth \$24.6bn'

Dataseat, the technology research firm, says the worldwide market for semiconductors was worth \$24.6bn in 1995. The figure is the firm's first estimate of the global consumer electronics semiconductor market.

Toshiba led the market, with nearly \$3.3bn in sales, and a 13.4 per cent market share, followed by NEC with \$2.7bn in sales and an 11 per cent market share and Matsushita Electric with \$1.9bn in sales and a 7.7 per cent market share.

Reuter, San Jose, California

Australia water deal for UK

A British-led consortium, headed by North West Water's Australian arm, has won a \$810m (US\$82m) contract for 10 new water treatment plants to service rural areas of South Australia.

The consortium, known as Riverland Water, will finance, build and operate the plants. Water will be supplied to households and businesses, with the first of the facilities due to come on stream by late next year.

A second plant is due to be completed shortly afterwards and the rest will be brought into operation in 1998 and 1999. About half of Riverland Water's equity will be owned by North West Water Australia, with minority stakes by AMP Investments, the investment arm of the country's largest life office, and Bechtel Enterprises, part of the US-based engineering group.

Nikki Tait, Sydney

ANC confesses rights abuses

By Roger Matthews in Cape Town

South Africa's ruling African National Congress yesterday named more than 30 men executed in its training camps in evidence it has submitted to the country's Truth and Reconciliation Commission.

After the carefully qualified apology made on behalf of the National party by former president F.W. de Klerk on Wednesday before the commission investigating human rights abuses committed during the apartheid era, it was the ANC's turn to justify its actions.

While Mr Thabo Mbeki, deputy president, claimed the ANC had fought a "just war" against white rule, he also testified about some of the brutal aspects of that struggle.

Addressing the commis-

sion, chaired by Nobel prize winner Archbishop Desmond Tutu, he listed names of 34 men executed on the orders of military tribunals in ANC training camps in Angola.

He said they had seriously violated the military code of conduct, sometimes by including attacks on senior officers.

However, the ANC said to understand the sometimes difficult conditions in the camps, and the effects of being under constant threat from the apartheid regime.

Mr Mbeki said that the movement never accepted that power grew out of the barrel of a gun, but it would not have achieved freedom by relying on parliamentary opposition.

The majority of our country, oppressed as a colonised people, had an equal right as did other colonised people for self-determination, and to

achieve this right," said Mr Mbeki.

"We were therefore engaging in a just war," he added.

The ANC, he said, had made a determined effort to ensure the "irregular war" was conducted according to international conventions, and any resultant behaviour not consistent with those aims "betrayed the humane character of the movement for national liberation".

Mr Mbeki, like Mr de Klerk the previous day, acknowledged there were also cases on the ANC's side which the Commission might investigate as they could fall into the category of "gross human rights abuses".

However, Mr Mbeki insisted that these were the exception, and had to be viewed within the context of the time.

"We deeply regret the loss

of lives caused by operations of this nature," he said, "but the overwhelming majority of actions were carried out in the course of a just war of national liberation."

The ANC also distanced itself from the practice of "necklacing" – putting a tire around a victim's head and then setting it alight – and asked the Commission to understand the "highly abnormal circumstances in which such actions took place".

It suggested the practice had been initiated by members of the security forces, and used as a weapon with which to discredit the organisation.

The Commission is investigating a series of atrocities carried out during the apartheid period, and has the right to give amnesty to those who fully confess, and provide reparations for victims.

Delegates said the US

hoped to persuade Apec to take a common stance on IT liberalisation as a method of raising pressure on the EU – also short on detail, officials said. It did not specify a timetable for tariff cuts and it did not spell out exactly which product categories would fall under the plan.

"It is a potentially very broad area," said one south-east Asian delegate. "It could cover almost anything high-tech, so we need to sort out the nomenclature."

Delegates said the US

and 2020 for developing members, also agreed a common line to push for early resolution in Singapore of the Uruguay Round's "unfinished business", notably on liberalising trade in financial services.

Apec comprises the US, China, Canada, Chile, Taiwan, Australia, New Zealand, Mexico, Thailand, Malaysia, Singapore, Philippines, Hong Kong, Japan, South Korea, Papua New Guinea and Brunei.

The US plan, which will also be discussed at the Apec heads of state meeting in Manila in November, was also short on detail, officials said. It did not specify a timetable for tariff cuts and it did not spell out exactly which product categories would fall under the plan.

Delegates said the US

IT liberalisation 'would benefit US'

By Edward Luce in Davao, City, Philippines

Several South-east Asian members of the 18-nation Asia Pacific Economic Co-operation forum yesterday distanced themselves from US proposals to fully liberalise trade in information technology and products, claiming that the initiative would disproportionately benefit US businesses.

The proposals, which have also been submitted to mem-

bers of the Geneva-based World Trade Organisation in advance of their ministerial meeting in December, were criticised for lack of clarity by members of the trade forum.

The US initiative, which would seek to eliminate tariffs on IT products such as computer software and hardware and related telecommunications goods, is intended to push the WTO's new trade agenda forward at the December meeting in Singapore. But US plans to

cut tariffs to zero.

persuade Apec to adopt a common line on IT liberalisation as a method of raising pressure on the EU – also short on detail, officials said. It did not specify a timetable for tariff cuts and it did not spell out exactly which product categories would fall under the plan.

Some lesser developed Apec members thought the proposal as it stands would be of more benefit to the US than its trading partners, said Mr Antonio Basilio, chair of the Apec senior officials' meeting in Davao, the Philippines. "A lot of countries felt they were at an embryonic stage of IT development and it might be premature to cut tariffs to zero."

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NEWS: ASIA-PACIFIC

China shows anger at Taiwan impasse

Frustration is behind Beijing's demand, writes Tony Walker

Since Taiwan's March presidential elections a silence had settled across the Taiwan Strait after the sound and fury of the pre-election period, when China lobbed missiles into waters off Taiwan and lambasted its president as someone destined for the "dustbin of history".

But now Beijing has resumed its call for "political talks" in what is being interpreted as an attempt to exert renewed pressure on the Taipei leadership at a time when it has begun to show signs, once again, of wanting to enlarge Taiwan's international living space.

China may also be reacting to a statement earlier this month by Taiwan's President Lee Teng-hui in which he expressed concern about the size of Taiwanese investment flows to the mainland. This cast a shadow over plans by Formosa Plastics to build a \$3bn power plant in Fujian province. The Zhangzhou plant would be easily Taiwan's largest China investment.

Beijing views continuing high levels of Taiwanese investment as critical to its modernisation. Taiwan businessmen, who have pumped more than \$20bn into China, rank second behind counterparts in Hong Kong as top investors in the mainland. China also regards the

has amounted to very little so far. China, on the other hand, has been showing quite a lot of patience."

Western officials believe Beijing's decision to break its silence over the failure to resume negotiations with Taiwan also reflects frustration with a lack of progress since the Taiwanese presidential elections in March. China had expected gestures from Taiwan, but these have not been forthcoming.

"Everybody was expecting Taiwan would make some move after the election to please China," said an official in Beijing. "But if we look at concrete gestures it

is meant by "one China". While Taiwanese leaders still espouse the reunification of "one China", Beijing suspects president Lee Teng-hui favours a "splitter" policy of "one China" or "two Chinas".

Beijing may also have been influenced to increase pressure on Taiwan at this time by its recent diplomatic success in persuading the African state of Niger to switch its recognition from Taiwan after four years,

thus weakening Taipei's efforts to extend its diplomatic backing.

China recently condemned moves at the UN led by Nicaragua at the head of a group of Central American, African and Caribbean countries to secure Taiwan's re-admission to the world body 25 years after its expulsion.

China's publication earlier this week of regulations governing cross-strait shipping was clearly part of attempts to exert diplomatic pressure

on Taiwan. Beijing has been pushing for agreement on what its describes as the "three directs" - direct shipping, air and postal links. Taiwan is reluctant, fearing the mainland's "suffocating" embrace.

Beijing would clearly like to bring about a resumption of cross-strait talks broken off in June 1995 in protest at President Lee Teng-hui's visit to the US, but officials are insisting they want renewed negotiations to deal with substantial issues, both political and commercial.

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Two prominent critics of the Vietnamese government were jailed yesterday and another received a suspended sentence for allegedly revealing state secrets after a trial condemned by human rights organisations. Le Hong Ha, a 70-year-old former security official, was jailed for two years while Ha Si Phu, a scientist and writer aged 55, received a one-year term, an official of the Hanoi People's Court said. Former editor Nguyen Kien Giang received a suspended sentence of 15 months.

All three were outspoken critics of the government or Communist party. They had been campaigning for more democracy and for the rehabilitation of victims of past political purges. During the trial, they maintained their innocence of charges of revealing state secrets under a Criminal Code, which allows for seven years in jail, the official said. The three are believed to have been caught with copies of a top-secret letter sent last August by Prime Minister Vo Van Kiet to other members of the Politburo in which he called for deeper political and economic reforms.

AFP, Hanoi

Vietnam jails dissidents



Carrying a big stick: The Chinese navy fires missiles in exercises off the Fujian coast

INTEREST RATES CUT IN BID TO MAINTAIN GROWTH

China yesterday announced a substantial cut of 1.2 percentage points in its lending rate in an apparent attempt to maintain strong economic growth. Tony Walker reports from Beijing. Deposit rates came down by 1.5 percentage points.

This is the second round of interest rate cuts this year and reflects government concern about a slowing economy and a growing debt burden on hard-pressed state enterprises.

The official Xinhua news agency reported that interest on loans for

working capital would be reduced to 9.18 per cent for six months and 10 per cent for a year. Loans for fixed assets would attract rates between 10.08 per cent and 12.32 per cent.

Xinhua said the cuts were in response to a further easing in inflation and were aimed at reducing the interest burden on state enterprises. Retail price inflation was down to 5.8 per cent in July compared with the same period last year.

The news agency said the interest rate cuts did not mean the government

was abandoning "appropriately tight monetary policies". Beijing imposed a credit squeeze in mid-1993 to cool an overheating economy and curb inflation. China expects inflation this year to fall below the target of 10 per cent. Economic growth is expected to be around 9-10 per cent.

China's equities markets in Shanghai and Shenzhen have been strengthening this week in anticipation of an interest cut, heralding a further easing in credit restrictions.

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Beijing would clearly like to bring about a resumption of cross-strait talks broken off in June 1995 in protest at President Lee Teng-hui's visit to the US, but officials are insisting they want renewed negotiations to deal with substantial issues, both political and commercial.

Previous discussions had been desultory and making progress on only minor issues such as fisheries disputes, immigration and repatriation of criminals.

Chinese officials say they don't wish to be engaged in further rounds of aimless discussions with a Taiwan that is simply "buying time" while its leaders continue to pursue their "pragmatic diplomacy". A game of cat and mouse across the Taiwan Strait is set to continue.

Reuter, Manila

Philippine market turmoil

The Philippine foreign exchange market was plunged into chaos yesterday by false rumours that the national defence chief had been killed in an ambush. "Relax, I'm alive," Mr Renato de Villa later told a news agency. The rumour sent the peso plummeting to 26.235 to the US dollar from 26.197. Mr de Villa said he had ordered military intelligence units to investigate the rumours. which traders said swept the normally placid market late

Reuter, Manila

Pro-Indian militants killed

Fourteen members of a pro-India militant group were found dead in south Kashmir yesterday, police said. The victims, all members of the Muslim Mujahideen, were found in Anantnag district, about 50km south-east of Srinagar, the state's summer capital, they said. Muslim Mujahideen is one of several groups that back Indian rule in the troubled province and which clash regularly with separatist militants.

Reuter, Srinagar

S Asian child labour pledge

Ministers representing the seven members of the South Asian Association for Regional Co-operation yesterday ended a three-day ministerial meeting with an agreement to end child labour in hazardous professions by the turn of the century. The ministers also agreed to end all forms of child labour by 2010. Mr Sher Afgan Nizari, Pakistan's health minister, speaking on behalf of the member countries said: "We have recognised this problem (of child labour), we will vigorously combat this problem."

Farrukh Bokhari, Islamabad

N Korean diplomats expelled

Sweden said yesterday it had expelled three North Korean diplomats in Stockholm, accusing them of being involved in cigarette smuggling. Mr Staffan Bjork, foreign ministry spokesman, said the three were ordered to leave the country in July after they were caught smuggling in the Estonian capital of Tallinn. Pyongyang's ambassador to Sweden had not been expelled. Mr Bjork added.

Reuter, Stockholm

Jakarta proposes deal with Megawati

By Menela Saragosa in Jakarta

An Indonesian court has postponed the hearing of a legal suit against the government filed by Ms Megawati Sukarnoputri, the ousted opposition leader, because her lawyers have agreed to study a government proposal for an out-of-court settlement.

Ms Megawati, who did not attend the hearing, is suing the government for supporting a congress of the Indonesian Democratic Party (PDI) which she argued deposed her illegally as the party's leader. Her lawyers have agreed to study the proposal and return to court on August 29.

Her chief lawyer, Mr R.O. Tambunan said an out-of-court settlement would be possible only "if the defendants share our perception" that the PDI congress was illegal. Her supporters have dismissed suggestions that Ms Megawati is retracting her case by agreeing to negotiate on the government's proposal, arguing that this is a standard procedure in civil cases in Indonesia.

"Whether we argue in court or out of court, the issue is the argument itself," said Mr Kwik Gian Gie, an economist and one of Ms Megawati's advisers. Agreeing to discuss the government's proposal "doesn't mean we withdraw the suit."

Observers say the government proposal, details of which were not made public, is likely to fall short of accepting the claim that the PDI congress in June was illegal. The government is believed to have backed the move to depose Ms Megawati because it feared she could cut into President Suharto's ruling Golkar party's votes at next year's elections.

Its attempt to reach an out-of-court settlement is seen as an attempt to remove the case from the public eye.

Ms Megawati's agreement to study the proposal is a sign she wants to abide by the law, her supporters say. Although her removal from the PDI leadership led to some of the worst rioting for two decades, Ms Megawati says she rejects violence and has vowed to pursue her leadership battle through legal channels.

At an official ceremony earlier this week, Indonesia's three government-sanctioned political parties pledged to support President Suharto and avoid criticism of each other in the run-up to next year's general elections. Leaders of all three parties were pictured shaking hands and embracing.

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By Nikki Taft in Sydney

Mr John Elliott, the Melbourne-based businessman who sprang to international prominence as the head of the Elders CXL brewing and agribusiness group in the late 1980s, was yesterday formally acquitted of theft and conspiracy charges. Two business associates - Mr Peter Scanlon and Mr Ken Biggs - who had been charged with Mr Elliott were also cleared.

The dramatic Mr Elliott, who had maintained his innocence throughout, immediately lashed out at the prosecution.

cution announced that rulings by the judge meant it no longer had a sustainable case to present, since most of its evidence had been deemed inadmissible.

In a ruling on Wednesday, Justice Frank Vincent had said that the National Crime Authority had acted unlawfully in its investigation of the case and that "the fruits of the NCA's unlawful activities should not be admissible in evidence".

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The NCA, which had claimed from the outset that the judge's ruling had overstepped its authority.

"They did not want the facts, they wanted to entrap. They were not seeking justice and truth, only glory by trying to knock off a tall poppy," he said, calling for a royal commission into the

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Japanese worry over security after kidnap

By Emiko Terazono in Tokyo

Prime minister Ryutaro Hashimoto's visit to Mexico this week may have helped spur the release of the kidnapped Sanyo executive, Mr Mamoru Konno, but the next Japanese businessman abducted overseas may not have the good fortune of a prime ministerial presence.

The kidnapping highlighted the vulnerability of Japanese expatriates to abductors. Mr Konno, head of a Sanyo Electric subsidiary, was released for a \$2m ransom on Monday. But next time Japanese companies will need to be better prepared, says Mr David Bong, head of the Japanese operations of Kroll Associates, the US risk management consultants.

Risk management consultants say Sanyo's handling of the case was questionable on two fronts.

First, it failed to control the flow of information, with the Mexican police and corporate officials allegedly leaking details to the press.

Second, the disclosure of the high ransom payment could also create problems for other companies.

Japanese companies, while acknowledging that Sanyo had done its best, have expressed concern that the large ransom could encourage other potential kidnappers. "Paying out Y200m for one person may cause people to think they can get away with the same thing," he says.

The abduction of Mr Konno was not the first kidnapping of a Japanese executive.

The affair has caused many Japanese companies to review their security and crisis management measures for their overseas operations.

Mitsubishi Electric has asked the consultants which provide information on local safety in Mexico to advise the company on risk management.

Nissan Motor has asked its international network to reconfirm security measures. Some of its executives, for instance, have changed their commuting schedules.

A report inspired by the Sanyo affair and published this week by the Tokyo-based Council for Public Policy, a think-tank specialising in risk management, urges companies to set up a risk management team within the organisations. The council, which is affiliated to the national police, says: "Japanese companies and expatriates need to realize that they are a symbol of a wealthy country and stand out. They should also acknowledge that all companies face the risk of being targets."

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The police are hunting for leaders of the Hanchongnyon, the national student organisation that sponsored the demonstration.

But opposition critics warned that the new controls could further radicalise the student movement by increasing the chances for clashes with police under the anti-communist National Security Law.

Mr Kim Young-sam, the South Korean president, described the Yonsei protest as an "urban guerrilla operation" and vowed harsh punishment for its leaders.

The police have also warned that its forces will be allowed to use guns, instead of batons, against demonstrators armed with firebombs and steel pipes. The police crackdown has enjoyed wide public support, with 80 per cent saying they approved the action.

Government officials say they outlawed the Yonsei rally because it would have been regarded by North Korea as a sign of South Korean weakness if it had been permitted to be held.

North Korea has scored a propaganda triumph from the police action by using televised footage of the event to convince its citizens that South Korea is still controlled by a "traitor clique" that oppresses the masses.

On the one hand, the 7 Series is a performance machine perfected on a racetrack at the Nürburgring, on a circuit so demanding it is no longer used by Formula One racing cars.

On the other, it is a hushed environment that silently whiskers you to your destination as it cossets you with everything from a heated steering wheel to a 330W CD system offering you the acoustic profile of a cathedral or a jazz club.

This technology extends from a computer that will navigate you around an unknown town, to an automatic gearbox that actually adapts to the way you drive.

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FINANCIAL TIMES FRIDAY AUGUST 23 1996 *

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NEWS: THE AMERICAS

Car workers' union changes tack

By Hal Simonian, Motor Industry Correspondent

Industrial relations in the US motor industry were thrown into confusion yesterday after the United Auto Workers union, which represents most workers in car factories, decided against selecting one of the "Big Three" carmakers as a benchmark company for negotiations.

The union said it would pursue separate talks with the senior management of all three carmakers pending a decision on whether to pick one company next week as its focus for negotiations.

Mr Stephen Yokich, the UAW president, indicated the mood in industrial relations in the industry had become less confrontational in recent years and suggested the decision not to select a "strike target" reflected that altered mood. "A strike is not what we're about; we're elected to negotiate an agreement," said Mr Yokich.

However, the union did not rule out reverting to its traditional wage negotiating method, whereby it targets one manufacturer for intense talks prior to the expiry of the industry's three-year pay and conditions agreement on September 14. The agreement reached

with the selected car company then sets the framework for arrangements with the other two.

The UAW's move caused considerable surprise in the industry, which had been expecting it to announce it had chosen Chrysler, the smallest but currently the most profitable of the "Big Three", as target for the next three-year deal.

The union traditionally chooses the manufacturer it believes will be most inclined to agree to its demands.

Some observers suggested the move represented a potential sea change in industrial relations in the motor industry as the UAW

and the carmakers move to a more consensual style of negotiation. "It's difficult to interpret at this point," said Mr Tony Cervone, a Chrysler official.

But Mr Yokich said: "It's good common, honest sense if you've got three companies that are moving along in their negotiations and these three companies want to reach agreement, you don't stop them, you go with them."

He said the decision to put off selecting a target was taken so as not to obstruct progress being made in the talks. He said negotiations had been advancing at their strongest pace in years.

Low-level bargaining has been under way between union representatives and the negotiators from the "Big Three" since early June.

UAW officials declined to say what their main objectives would be in the next pay round. However, it is widely believed the union will stress job and income security. One of the focal points is expected to be the issue of "outsourcing", whereby carmakers are increasingly contracting out to cheaper suppliers. This year, the UAW launched a 17-day strike at a General Motors brakes plant in Ohio over plans to buy braking units from an outside supplier.

Midwest gleams with prosperity as Democrats prepare for their convention

Chicago polishes its image

When Democratic delegates roll into Chicago this weekend, they will see poppies growing on the verges of the freeways from the airport and potted trees and buckets of flowers lining the streets around the convention centre, while fake gas streetlights will illuminate streets which only two months ago were skid rows stretching of the city's west side.

By some estimates Chicago has spent \$180m in local, state and federal funds smartening up the area around the convention centre.

The inner city facelift is long overdue, as Chicago's downtown business centre, the Loop, and more distant neighbourhoods are blossoming with rehabilitation projects. The city and its surrounding suburbs are expected to add more than 200,000 jobs by the end of the decade, including 80,000 this year. That job growth, and the region's economic diversity, pushed Chicago past Atlanta in August for the first-place ranking in the Regional Economic Growth Index calculated quarterly by LaSalle Partners Investment Research.

As Democrats gather to renominate President Bill Clinton, Chicago and the Midwest heartland is enjoying

a sustained economic boom. The Midwest threw off its rustbelt image a decade ago and now leads both coasts in terms of growth. Its strengths as a central location, a diversified economic base and efficiently restructured manufacturing - are expected to keep the heartland pulse throbbing through the end of the century.

This general sense of economic well-being is certain to be a factor in November's presidential contest, where Midwestern states are expected to be a key battleground. Prior to last week's Republican party convention, Mr Clinton held substantial leads in opinion polls across the Midwestern states, but Mr Bob Dole, the president's Republican challenger, has targeted several of them for major campaign efforts.

Corporate restructuring, combined with low interest rates, a weak dollar, and low oil prices, have led to an export-led expansion. According to the Federal Reserve Bank of Chicago, construction and steel were the only sectors of the Midwest economy that lagged the nation last year in terms of growth.

Perhaps because massive corporate restructuring started earlier here, and the process has been going on

longer, the Midwest has become something of a showcase.

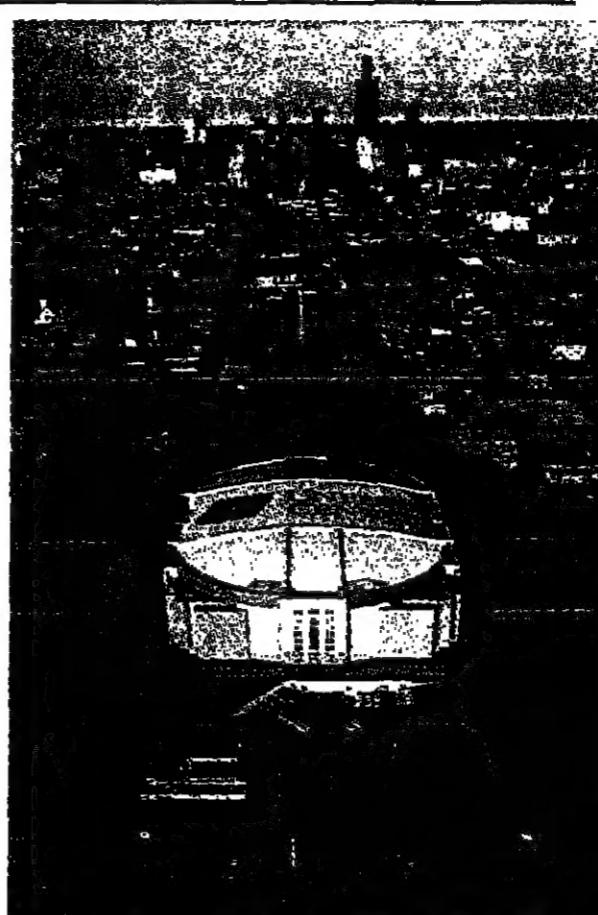
Toyota, once the scourge of Detroit's automakers and one of the world's most efficient car manufacturers, has chosen Indiana as the new production centre for its T-100 pick-up truck. Soon, 100,000 trucks a year will roll off a state-of-the-art assembly line in rural Evansville, several hundred miles south of Chicago.

At the southern edge of the city, another casualty of foreign competition has been revived. US Steel, once a symbol of American inefficiency, has reformed itself.

Its lakeside mills now produce more steel than they did 20 years ago using half the number of workers.

In Chicago's northern suburbs, US Robotics, which barely existed a decade ago, finds demand for its computer modems so strong that it outgrows its facilities almost as fast as they are built. Its biggest competitor, Motorola, another high-tech giant, is headquartered in a neighbouring suburb.

Agriculture, which forms the economic backbone of many Midwestern communities, is also thriving. US net farm income is expected to reach a record \$45bn this year, boosted by provisions



Awaiting a Democratic invasion: Chicago's United Center

collar jobs were lost in the region last year, blue collar workers have better prospects for job security and wage improvement.

"The Midwest economy is in good balance now," says

Laurie Morse

Canada cuts rates

Canadian banks will cut their prime lending rate today for the second time this month, further widening the gap between domestic and US interest rates. Bernard Simon reports from Toronto.

The prime rate will drop from 6 per cent to 5.75 per cent, compared with a peak of 9.75 per cent little more than a year ago, and the current US prime rate of 8.25 per cent. The discount against US rates, confined to short-term securities since February, extended yesterday to five-year bonds.

The rate cut, which followed a signal from the

Bank of Canada, reflects unusually favourable trends in the domestic economy, compared with the US. Economists expect an announcement next week of a second-quarter surplus in the current account of the balance of payments, the first in 12 years. Canada's inflation rate, at 1.2 per cent, is lower than the US's.

The Canadian dollar, which has been vulnerable to interest rate cuts in the past, moved slightly higher in early trading yesterday. It was trading at about 72.70 US cents at midday. The cut is designed to stimulate sluggish domestic demand.

Tobacco cases ignite fears

Richard Tomkins on the beleaguered US industry

The US tobacco industry has been on the defensive for years, but there have been few times when it has looked quite so beleaguered as it does now.

Today, President Clinton is expected to announce his decision to bring cigarette manufacturers under the purview of the Food and Drug Administration as part of a crackdown on teenage smoking. The move will give the government sweeping new powers to regulate the tobacco industry.

The decision comes just two weeks after a landmark verdict by a Florida court in which a jury awarded \$750,000 in damages to a lung cancer patient and his wife.

The ruling, which is being appealed, threatens to break the industry's record of never having paid out a penny in damages as a result of a smoking-related lawsuit.

Meanwhile Kansas and Michigan this week joined the growing list of states that are suing the tobacco industry for billions of dollars to recover the money they have paid out in treating smoking-related illnesses under the Medicaid public assistance programme.

Tobacco stocks have slumped amid the mounting pressures shares in Philip Morris, the largest US cigarette manufacturer, have fallen by 18 per cent over the past two weeks.

The only exception came in 1988 when a jury awarded damages of \$400,000 to the husband of Rose Cipollone, a New Jersey woman who died of cancer after smoking about 30 cigarettes a day since the age of 18. That award was over-

turned on appeal.

The picture changed drastically two weeks ago when a six-member jury in Jacksonville, Florida, awarded \$750,000 in damages to Mr Grady Carter, a 66-year-old lung cancer patient and his wife, Mildred. Mr Carter smoked for more than 40 years before having part of a lung removed in 1981.

The jury in the Carter case was influenced by a recent flow of whistle-blowing allegations and leaks indicating that cigarette manufacturers knew more about the addictive nature and health risks associated with smoking than they ever divulged to the public.

However, the big question left unanswered by the Carter verdict was whether the Cipollone case eight years earlier, or whether it marked a fundamental change in the industry's attitudes towards tobacco litigation in the wake of the damaging leaks.

In the Indianapolis case, Mrs Rogers is suing four manufacturers of the various brands her husband smoked: Philip Morris, RJR Nabisco's R.J. Reynolds Tobacco subsidiary, American Tobacco (now part of Brown & Williamson Tobacco), the US arm of Britain's BAT Industries) and Liggett. The case first went to trial last year, but a retrial was ordered when the original jury failed

to reach a unanimous verdict. At least two factors favour the industry's chances in Indianapolis. One is that the leaked industry documents were not presented as evidence in the original trial, and therefore were not allowed to be introduced as evidence in the retrial. The other is that, under Indiana state law, if plaintiffs are found to be more than 50 per cent to blame for their suffering, they cannot collect.

On the other hand, the earlier jury split 5-1 in favour of the plaintiffs, indicating that they have a convincing case. At the trial, the new jurors will obviously have the Carter precedent in their minds.

And five of the six jurors are women, who tend to be more sympathetic to plaintiffs than men.

Mr Gary Black, a tobacco analyst at the Wall Street firm of Sanford C. Bernstein, has described the Indianapolis trial as a "must win" for the tobacco industry - not just to restore investor confidence in tobacco stocks, but also to prevent a tidal wave of litigation.

He is probably right: for if present and former smokers across the US start winning lawsuits in large numbers, the billions of dollars in compensation will do far more damage to the tobacco industry's profits than the government's efforts to curb under-age smoking.

AMERICAN NEWS DIGEST

US incinerates cold war arms

The US army has begun burning a stash of chemical bombs, rockets and land mines in the first chemical weapons incinerator in America, built to destroy a 14,000-ton stockpile of cold war weapons over the next seven years.

"Everything ran smoothly. No problems," said Mr Craig Campbell, community outreach co-ordinator at the Tooele Army Depot, which holds 44 per cent of America's chemical weapons stockpile. Mr Campbell said all that remained of the first munition, an M-38 rocket containing the nerve agent GB, was molten aluminium and ash. Both were to be sampled and analysed before the second rocket was sent through.

The army fired up the 400m incinerator before a state environmental panel was scheduled to consider a last-minute appeal from opponents who fear the plant is unsafe and will emit toxic gases. A federal judge last week rejected a request to halt the incineration. About 13 protesters were on hand outside the depot when the first rocket was destroyed.

The US and the former Soviet Union pledged to destroy their chemical arsenals in the late 1980s, deciding incineration, in which furnaces burn off chemical and nerve gases, was the safest and most efficient method of disposal.

AP, Tooele Army Depot, Utah

Zapatista rebels sentenced

Seven Zapatista rebels in Mexico have been convicted on weapons charges and sentenced to nearly seven years in prison, a decision that could influence ongoing peace talks in the south-eastern state of Chiapas.

A federal district judge in Mexico City convicted the five men and two women late on Tuesday but their lawyers have lodged an appeal. The seven were arrested in February last year for allegedly manufacturing explosives and stockpiling weapons.

The seven deny being members of the Zapatista National Liberation Army, which rose up in Chiapas on January 1, 1994, in protest against political corruption and the poverty of Indian peasants. The arrests of the seven, along with 14 other people elsewhere on similar charges, were the catalyst that prompted President Ernesto Zedillo to send more than 25,000 federal troops into rebel territory in Chiapas state the next day. The military offensive broke a 14-month deadlock in the Indian rebellion and forced rebel leaders to the negotiating table two months later. Nine other accused Zapatista rebels still await a decision in similar cases. AP, San Cristobal de las Casas

Japanese credits for Mexico

Prime Minister Ryutaro Hashimoto has granted Mexico credits worth \$960m for environmental and trade projects during his 10-day tour of Latin America to improve opportunities for Japanese industry.

"Among the countries in the Group of Seven, Japan is the one that exports more capital than it takes in," said Mexican President Ernesto Zedillo. "Proof of that is the credit supports that Mexico has received." Mr Zedillo said during a banquet for Mr Hashimoto on Wednesday evening.

The accords, which were signed at a ceremony at the Los Pinos presidential residence, include an environmental credit agreement for \$460m aimed at helping to clean up pollution in Mexico City; an accord between Mexico's foreign trade bank Bancomext and Japan's Eximbank for \$250m; and an accord between Mexico's development bank Nacional Financiera and Japan's Eximbank, also for \$250m.

The Mexican government is keen to court Asian business, and Japan is currently Mexico's third largest trade partner, with trade flows this year expected to top \$55bn. Japan has long seen Mexico as a launching pad for increased exports to the US and Canada under the North American Free Trade Agreement (Nafta).

Some 300 Japanese businesses are currently located in Mexico, many set up along its bustling border with the US.

Reuter, Mexico City

Surinam rebel in custody

Mr Ronny Brunswijk, the flamboyant Surinamese former rebel leader, has been taken into police custody on a charge of attempted murder. Mr Brunswijk - who led an uprising in 1988 against Surinam's then military regime which paved the way for democratic elections in 1991 - yesterday turned himself in to the police following accusations that he had tried to kill a man during a brawl last weekend.

Mr Freddy Pinas, a Surinamese-born visitor from the Netherlands, claimed the former head of the Jungle Command tried to shoot him after he objected to Mr Brunswijk's advances toward his wife. Mr Brunswijk, 35, denied the charges.

Reuter, Paramaribo

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NEWS: UK

Germany did not intend BSE 'hysteria'

Financial Times Reporters in London, Brussels and Bonn

The German government said yesterday that it had not wanted to "unleash a wave of hysteria" with its suggestions that sheepmeat could be infected by bovine spongiform encephalopathy. But it insisted there was still uncertainty about whether the disease could be transmitted from cows to sheep.

The row with Britain followed comments by a German agriculture ministry official that consumers should shun British lamb if they were worried about BSE.

Britain's National Farmers' Union said it was "astonished" by the remarks. "It is totally unjustified - an alarmist over-reaction. The current science says there is no evidence to suggest there is BSE in the British sheep flock," an official said.

The European Commission supported Britain in rejecting the German calls and pointed out that only EU-wide action could be justified to deal with any threat.

"We don't support any such recommendation because we don't see any grounds for it," a commission official said, adding that the

commission would not encourage discrimination against British lamb.

A spokesman for the agriculture ministry in Bonn said the comments had been made on television by Mr Werner Zwingmann, a mid-ranking ministry official, on Wednesday evening.

"We did not want to unleash a wave of hysteria," said Mr Dieter Schneider, a ministry official. "We could have said 'no comment' or we could have allowed somebody to take a position. If we had not allowed somebody to comment, the hysteria could have been far

greater because another biologist on the programme took a very critical view of the matter."

Mr Zwingmann's comments caused irritation in Brussels because Germany was the only member state to reject proposals made by Mr Franz Fischler, the EU farm commissioner, that sheep brains, spleens and spinal cords be removed from the food chain.

Mr Fischler's proposal followed reports from the UK and France that, under laboratory conditions, sheep could contract BSE.

The idea was rejected by the EU's standing veterinary committee on the grounds of insufficient evidence.

Mr Zwingmann said the German government had asked the European Commission earlier this month to check whether BSE could be spread from cows to sheep. He said there were still "gaps" in our knowledge.

Germany imported 40,500 tonnes of sheepmeat last year, 4,275 tonnes from the UK. About 43 per cent of the 110,900 live sheep which Germany imported last year came from the UK but in the first three months of this year the figure dropped to 7 per cent.

UK NEWS DIGEST

Lloyd's ruling delayed again

Lloyd's of London has been left waiting another day to hear whether a US federal court will scupper its £3.2bn (£4.95bn) recovery plan - which Names have to accept or reject by noon on Wednesday.

Judge Robert Payne yesterday postponed his ruling until late today in a case bought by US Names, individuals whose assets have traditionally supported the recovery plan. The Names want an injunction delaying the plan until Lloyd's complies with US securities laws on the level of information that has to be disclosed.

The delay heightened tensions at Lloyd's where the recovery plan is crucial to securing the market's future. An appeal could still be arranged for Monday, however, and Lloyd's is refusing at this stage to contemplate extending the August 28 deadline.

Ralph Atkins

■ ECONOMY

Inflation set to remain low'

Interest rates will not have to rise until after the general election next year as the government's economic policies deliver strong growth but with low inflation, the Confederation of British Industry, the country's largest employers' body, says today.

The CBI's latest economic forecast supports the government's hopes of fighting the election amid a low inflation consumer-led recovery. It suggests the CBI believes Mr Kenneth Clarke, chancellor of the exchequer, will successfully fend off pressure from the Bank of England - the UK's central bank - for higher interest rates ahead of the election, which must be held by the end of May next year.

The CBI's upbeat view comes after official figures yesterday confirmed the economy grew only sluggishly in the second quarter of the year. But the figures suggested output might rebound strongly as companies were now able to meet growing demand from new production rather than existing stocks.

Graham Bowley

■ MINIMUM WAGE

Institute advises £3.50 limit

A statutory minimum wage proposed by the opposition Labour party should be no more than £3 (£4.68) to £3.50 an hour for adults, according to Mr John Philpott, head of the independent Employment Institute. In a report published today by the Institute of Personnel and Development, Mr Philpott says the rate for workers aged between 18 and 25 should be lower and that there should be a "sub-minimum" for trainees and those under 18. Robert Taylor

■ INDUSTRIAL ACTION

Rail and mail services hit

Disruption planned for the London Underground rail network today and on Tuesday was averted last night when a trade union representing many drivers accepted a pay offer. But many travellers on the national rail network face disruption on the two days with staff in seven publicly owned train operating companies staging stoppages today.

Thousands of mail workers went on strike for a day again yesterday, and negotiations will resume today at Acas, the conciliation service, to try and resolve the dispute.

Robert Taylor

■ MANAGEMENT

Drilled in innovation

Michael Lindemann reports on how a tip-off to a German company led to radical changes

Like most Swabian entrepreneurs, Hans-Jörg Link likes to keep himself - and his business - to himself.

There is no forecourt to show off JEL, a small family-owned engineering company in Germany, tucked away in a non-descript building on the industrial outskirts of Stuttgart.

A solitary phone links visitors to a voice inside the building and then it is straight up two flights of stairs and out onto an open-plan floor where a handful of designers are bent over drawing boards.

One thing, however, does set Link apart from his non-swelling Swabian counterparts.

JEL, founded in 1986, last year won the annual prize for innovation handed out by the Swabian government of Baden-Württemberg, Germany's wealthiest south-western state, and things have changed since then.

"I didn't believe prizes like that could make a difference," Link says, "but this one certainly has. There is no need to explain oneself any more - people have developed a sort of automatic interest."

That heightened interest could not have come at a better time for JEL, which is trying to break into a new sector of the machine tool business where growth prospects are promising.

For decades JEL - the letters stand for John and Ernst Link, the company's founders - produced large quantities of taps. But as the founder's son points out, serial production is better left to larger manufacturers. The smaller Mittelstand companies, which form the backbone of Germany's engineering industry, need to concentrate on niche products.

Seven years ago that process was set in motion when Link got a tip-off from a friend in the US that a patent for a drill thread miller had been registered by a former engineer at General Motors in Detroit.

Link was quick to recognise

the potential behind the new tool. With its triple ability to drill, chamfer and thread mill, the drill thread miller would revolutionise such simple tasks as the drilling of cylinder blocks.

"We put everything into this tool," Link says. "It was a God-given opportunity."

The gamble, built on a transatlantic co-operative agreement because the GM engineer did not have the resources to develop the drill thread miller, appears to have worked for JEL.

The company recently signed a contract with BMW whereby drill thread millers are now sold at the top of BMW's range. Sales last year totalled DM14.5m (£8.5m) and are this year expected to jump almost 50

'Others now come to us and ask us to solve their problems'

per cent to DM21m. The client list is impressive, including Mercedes, Ferrari, McLaren, Volkswagen and Jaguar.

Crucial to the initial success and the future growth prospects is Stuttgart University.

"There were lots of theses written on my subject and the engineers there are very good at thinking three-dimensionally," Link says. "That was absolutely decisive for us."

Several Stuttgart University graduates are now employed by JEL and have developed the software needed to use the drill thread miller.

The tools can now be programmed to do precisely what the clients want by means of a program called computer numeric control or CNC - a world away from the old taps, says Link.

Importantly, the flexibility of the drill thread miller matches the increasing flexibility required in manufacturing

processes, Link says.

Larger manufacturers, making perhaps 1m engines a year, can still consider using one tool to make a certain feature on thousands of engine blocks and use another tool to add another feature. Such a process is inefficient for smaller producers, which are better served by the JEL drill thread miller as it enables one worker to add several features at once.

As for the design and manufacturing were not challenging enough, JEL also had to devise a completely new strategy to sell the more sophisticated tool.

Selling at anything from DM400 to DM2,000, they are considerably more expensive than their predecessors. JEL must now spend much more time explaining the attractions of the drill thread miller. The company has tried to help by giving its tools names such as Thriller, but the selling still remains a challenge.

"Above all," says Link, "you suddenly have to explain to the client how much is going to be saved by buying it."

There is an additional problem when it comes to sales. Taps could not be regarded as intelligent machines and selling them was relatively easy. The same applied to the medical implants that JEL also used to make and sell to a single customer - Pfizer, the US pharmaceuticals group.

Now, however, JEL finds itself approaching many different kinds of new clients, and not all, by any means, are German. "I have to learn Czech, English - I suddenly have to learn how to sell tools in China."

The new skills needed to develop and sell the drill thread miller have also opened up more than just sales prospects. Bigger producers have had to trim down and out-source services and that means that

"others now come to us and ask us to solve their problems". Link says. "We have become a sophisticated provider of services."

BSkyB plans to offer fast Internet access

By Raymond Snoddy

British Sky Broadcasting, the satellite television venture, is planning to offer fast access to the Internet through conventional television sets when it launches its digital satellite television service before the end of next year.

The company, controlled by Mr Rupert Murdoch's News Corporation, hopes that broadcasting huge amounts of information to the home, as well as 200 to 300 channels of television, will help to persuade consumers to buy the digital "black box" decoders needed to receive the service.

"The decoders will have the computing power of an average PC and a very fast modem," a BSkyB executive said yesterday. "The aim is to deliver information services direct to the television screen rather than just to personal computers, because only 15 per cent of UK homes have PCs and almost all have television sets."

BSkyB, which earlier this week announced pre-tax profits of £225m (£301m), wants the decoders to be in the shops by September next year and plans to have them manufactured in the first year. It hopes that the digital

EU flag use riles Eurosceptics

Financial Times Reporters

The British government's long-awaited launch of its voluntary national identity card yesterday was marred by continued controversy over the use of European Union and Union Jack flags.

Mr John Redwood, the former cabinet minister who failed last year to unseat Mr John Major from the leadership of the governing Conservative party, attacked the inclusion of the EU flag on the proposed combined driving licence and ID card. He said it would be the first time the UK government had produced an official document incorporating an EU symbol.

"Does the presence of the EU symbol mean we are giving up our independence on these very important justice and immigration matters?" he asked.

But the government's

plans were welcomed by the police and financial services companies which have supported the proposals as part of the fight against crime.

The UK is one of the few EU countries in which personal identity documents are not issued. British citizens are required to carry passports only for travel to other countries.

Mr Michael Howard, the home secretary, pointed out that, under the complex compromise agreed by the cabinet, the separate ID card would not carry the EU symbol.

Under an EU directive,

driving licences with photographs must be introduced

by 2001. Mr Howard said it was "not unreasonable" that these should be in a European format incorporating the EU symbol.

The British plans, which have four more weeks of consultation before entering the final stage for approval, involve:

- A credit card-style driving licence, carrying the Union Jack and EU flag, which would be phased in soon after the necessary legislation was passed. Expected to cost about £20 (£31.20).
- A separate identity card, with the Union Jack, expected to cost between £10 and £15. With no lower age limit, it could be used as a pass-

port in the EU and some other countries.

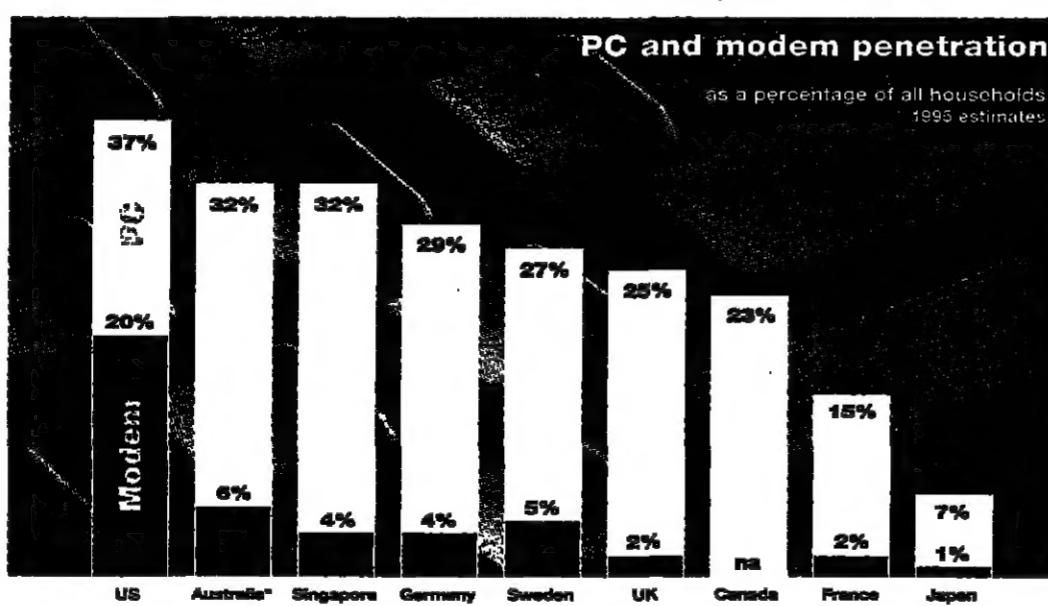
• A combined driving licence and ID card, with both flags, which would cost two or three pounds more than the driving licence.

The launch of the scheme was delayed because of concerns that an identity card with the Union Jack would inflame nationalist sentiments in Northern Ireland.

The cabinet finally agreed the new cards would be available in the region but Northern Ireland driving licences incorporating photographs would be valid until 2001.

Phillip Stephens, Page 8

TECHNOLOGY



One race, many roads

Vanessa Houlder on a study that assesses countries' progress on the information superhighway

the demand side, there is low penetration of PC, modems, cellular technology and Internet hosts.

The uptake of PCs and cellular

phones relatively well on measures such as the use of PCs and cellular technology and telephone charges.

• Canada performs relatively well on the benchmarks chosen by the consultants, with the third highest PC penetration of the countries surveyed. But it has the lowest penetration of high-speed ISDN links and a low take-up of mobile services.

• Australia is a close follower of the US in terms of PC and modem density and ranks third in Internet penetration. Its immense size and remoteness from Europe and the US have been the key drivers in the development of a strong communications culture.

• France has "performed poorly on many measures", notably PC density, the use of mobile communications, multichannel penetration and Internet usage. The reasons include high telecommunications prices and the reliance on Minitel telephone-based information services that may have removed the perceived need for PCs and alternative online services.

• Germany has "performed poorly on several benchmarks relative to other countries". For instance, it has the lowest number of faxes per employee and limited use of the Internet. But it leads all the countries surveyed in terms of ISDN subchannels and has the highest multichannel penetration in Europe.

• Singapore has high levels of

economics of comparable size. It performs relatively well on measures such as the use of PCs and cellular technology and telephone charges.

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MANAGEMENT

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ARTS

Hot on the jiggling heels of the witness *Lord of the Dance* show, the Coliseum is showing us a real *Lord of the Dance* in Mikhail Baryshnikov. He is in London this week with his White Oak collective - gifted modern dancers in intriguing modern dance pieces - and though we welcome the chance to see his colleagues and the works they bring, the point of the show is inevitably Baryshnikov.

I once, in the sort of idle game that devotees occasionally play, compiled a list of "the greatest male dancers I've seen" with two American colleagues. My candidates included such glorious and obvious names as Balle, Brum, Soloviov, but the ultimate and crowning laurels had to go to Baryshnikov. The exercise might seem a mere and pointless laundry-list, but it identified what Baryshnikov was in his classical days - a sublime virtuoso of noblest style: a dance actor of rare perceptions; an almost flawless artist. (The "almost" a sop to the idea of artistic hubris.)

The astonishing fact now is that, in his post-classical period, when time and knee-injury have precluded the grand challenges of the academic style, Baryshnikov remains a dancer of supreme gifts, sublime integrity. He is what he ever was: a genius of the dance.

He is 48 years old - was it really 26 years ago when he soared and hung glorious over the stage of the Festival Hall? - and his art and his physical command of movement are still uniquely great. For this week at the Coliseum he offers two solos. Mark Morris's *Three Russian Preludes* is set to Shostakovich piano preludes - music both allusive and dense. Baryshnikov, dressed for the office in shirt and tie, trousers and waistcoat, is a man living out fantasies, puppet games, sudden joke ideas and small tragedies.



Gifted modern dancers: Mikhail Baryshnikov (centre) with his White Oak colleagues in 'What A Beauty'

Steven Carras

True Lord of the Dance

Clement Crisp salutes Mikhail Baryshnikov and his White Oak collective

The piece is very Russian - glimpses of Chakravorty or Gogol are there - and the dance sets him moving through micro-second incidents, tiny moods. Concentrated, dancing with the most wonderful control and ease, Baryshnikov is the very spirit of the music.

He has also revived José Limón's *Chaconne* of 1942. Limón, Mexican born, was a superbly commanding dancer. His realisation of the

Chaconne from Bach's second partita (in the Busoni transcription) was an explosion of the music's formal power, but owed something to the Mexican roots of the chaconne and to Limón's admiration of Bach. Baryshnikov brings it to exactly the majesty in phrasing, the commanding sense of architecture in dance and music, which makes it live again. The music flows through him. He reveals it to us in

long spans of dynamics. It is prodigious dancing.

The White Oak artists are seen in three pieces. Ruthlyn Salomone has made a gentle, agreeable quartet for women using Villa-Lobos works for piano and cello in *Quies* as it's kept, and Kraig Patterson's *What a Beauty* is set to Smetana's first string quartet, the dance starting with the second movement. It is emotional music, rather too folksy for my taste, and

there is a lot of emotional folksiness - love lost, found, recalled, regretted - on view. The clothing is contemporary and horrid. Baryshnikov, who joins his colleagues in this, wears a suit made for someone else, and the cast are caught up in a "Who's got the ugliest shoes" contest. Merce Cunningham's *Septet* - Satis and Jokes - completes the bill, and is neatly done.

The music for the evening

is live and well played (the pianist Nicholas Revels is admirable in the Shostakovich and Bach/Busoni). The lighting of every piece - by David Finn and Michael Chybowki - is superb. Our local princes of darkness, who make dancing here even murkier than it is, should mark and learn.

The White Oak season continues at the Coliseum until Saturday.

Theatre

Restoration wit

Every summer, Hampstead's New End Theatre modestly revives a rare Restoration comedy which broadens our perspective on a most pernicious age. This year, *Love in a Wood*, or *St. James' Park* (1671), William Wycherley's first play, announces the indecent interplay between marriage, money and morals which he later developed in *The Country Wife* and *The Plain Dealer*.

Wycherley enjoys threading, tangling and knotting up multiple plots of jealousy and double-crossing. There is even a hapless knight called Sir Simon Addleplot. Geraldine Bensel has designed a corridor of green fold-away doors, each one farcically revealing a new character, another clandestine coupling, a new deceit in a new plot spin.

Fops vie with rakes over affronted mistresses along back-alleys, down Pall Mall, and across St James' Park - in "rude pursuit" of love in a wood, where no one sees the wood for the trees.

What makes this essential

restoration play startling is its bleak view of courtship. Michael Cabot's unsensational direction focuses on two desperate rapes:

Alderman Gripe, a zealous hypocrite who forbids his daughter to consort with him, is a man whose own "filthy lust" leads him to daub a "honeysuckle" virgin.

Swave Mr Ranger, "to see if you shall squeak," attacks the woman he believes has spurned him - she is, in fact, his own jilted mistress in disguise. Rumpung manky-panky is in fact an individual wizard concealing pimping and debauchery.

Felling the immoral is an amoral vitality in the language. It is cruel: "Though art as envious as an impotent lecher at a wedding," it is naughty: "you shall squeeze," attacks the woman he believes has spurned him - she is, in fact, his own jilted mistress in disguise. Rumpung manky-panky is in fact an individual wizard concealing pimping and debauchery.

The intelligent, sober performances of this 15-strong company provide a valuable opportunity to appreciate Wycherley, one of the most acerbic wits of English drama.

Simon Reade

At the New End Theatre, Hampstead, until Sept 8 (0171 794-0022). Sponsored by Mitsubishi Electric PC Division.

conjunction with the Olympic Games, explores the power of art to evoke five universal emotions: love, anguish, awe, triumph and joy. More than 125 objects from international public and private collections are grouped into five major sections, each devoted to one of the five passions. The exhibits include El Greco's "The Resurrection", Auguste Rodin's "The Kiss", and Henri Matisse's "Dance(I)"; to Sep 29

■ AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-5703573.
● Flamminghi with conductor Rudolf Werthen and violinist Jaap Zwanen perform works by Gorecki, Tchaikovsky and Shostakovich; 8.15pm; Aug 27

■ ANTWERP
THEATRE
Museum Rubenshuis Tel: 32-3-2324751.
● Medea by Marc Steemans. Directed by Martine Boni. The cast includes Anja Helsen, Marilie Pinoy, Peggy Schepers and Marc Steemans; Tue-Sat 9.15pm; to Aug 31 (Not Sun or Mon)

■ ATLANTA
EXHIBITION
High Museum of Art Tel: 1-404-733-4400.
● Rings: Five Passions in World Art: this exhibition, organised in

conjunction with the Olympic Games, explores the power of art to evoke five universal emotions: love, anguish, awe, triumph and joy. More than 125 objects from international public and private collections are grouped into five major sections, each devoted to one of the five passions. The exhibits include El Greco's "The Resurrection", Auguste Rodin's "The Kiss", and Henri Matisse's "Dance(I)"; to Sep 29

■ CAPE TOWN
EXHIBITION
Michaels Collection - Old Town House Tel: 27-21-246367.
● Masterpieces on Paper - Prints and Drawings from the Permanent Collection: exhibition featuring works by 18th century artists such as Van Leyden, De

■ HELSINKI
EXHIBITION
Amos Anderson Art Museum

The economics of putting on concerts means that professional orchestras rarely bother with some of the most ambitious pieces. We get to see Schoenberg's massive, hugely demanding, *Gurrelieder* quite often these days, but only because youth orchestras have taken it up as a glorious showpiece for their students.

This summer the Gustav Mahler Jugend Orchester (founded by Claudio Abbado in the mid-1980s) to bring together students from the two halves of a divided Europe) has made it a highlight of both the Salzburg and Edinburgh festivals. On Wednesday, at Edinburgh's Usher Hall, Abbado and his young players made a tremendous impact.

In a helpfully symbolic way, *Gurrelieder* is itself a divided work that straddles the old world and the new. Schoenberg wrote the first half in the grandest, most decadent, post-Wagnerian style possible, but by the time he came to finish the work off, he was striding into a 12-tone future. The orchestra excelled in both: the burning glow of the string tone in the romantic first part gave the lie to the usual weakness of youth orchestras and all the players kept up a keen level of

concentration in the music's more difficult later stages. For soloists, Abbado supplied singers from his personal circle. Jane Eaglen's soprano was splendidly

focused on what was going on in the orchestra, because that was where Schoenberg's grossly over-written score was really coming alive. This was the last performance of five on the orchestra's tour and Abbado exercised complete command of his vast forces, including the combined Arnold Schoenberg Choir and Edinburgh Festival Chorus. It was touching to see Hans Hotter, as the Speaker, treated with such deference - remarkable to think that he is as old as *Gurrelieder* itself.

There has been a late-night extra over three nights with Charles Mackerras and the Hanover Band performing Haydn's six "Paris" Symphonies. Symphonies Nos 65 and 67 on Wednesday went with an ebullience that kept the energy level high even as midnight approached. In between was added an extremely odd concert aria, *Piedi di me*, for three singers and two solo instruments, which included the most unplayable music for solo horn I have ever heard: horn-player Andrew Clark deserved a festival medal for endurance.

Richard Fairman

Hanover Band's Haydn series sponsored by Scottish Widows.

social identity, often from a gay perspective; to Sep 8

■ LUCERNE

CONCERT
Franziskanerkirche Tel: 41-21-210352.

● Borodin String Quartet: perform works by Debussy, Wolf and Shostakovich. Part of the Internationale Musikfestwochen Luzern; 5pm; Aug 25

■ SALZBURG

OPERA
Grosses Festspielhaus Tel: 43-62-80450.

● Elektra: by R. Strauss. Conducted by Lorin Maazel and performed by the Wiener Philharmoniker. Soloists include Hildegard Behrens, Karen Huffstout, Leonie Rysanek, Kenneth Riegel and John Brödel. Part of the Salzburger Festspiele; 8.30pm; Aug 25

■ ZURICH

CONCERT
Tonhalle Tel: 41-1-2063434.

● Tonhalle Orchester: with conductor Gary Bertini and violinist Frank-Peter Zimmermann perform Beethoven's Violin Concerto D major Op.61 and Symphony No.5 in C minor Op.67; 7.30pm; Aug 26

● Listing compiled and supplied by Artbase The International Arts Database, Amsterdam, The Netherlands. Copyright 1996. All rights reserved. Tel: 31 20 664 6441. E-mail: artbase@planet

Promenade concerts

New York extravagance

America's oldest orchestra came to the Royal Albert Hall this week, determined to show off its own strengths rather than those of its conductor, Kurt Masur. Tuesday brought two extrovert pieces, *Till Eulenspiegel* and Tchaikovsky's Fifth Symphony, separated by a pensive concerto for cor anglais by Ned Rorem (b.1923); on Wednesday Brahms's Violin Concerto was uncomfortably paired with a suite from Prokofiev's *Romeo and Juliet*.

Masur's relationship with the New York Philharmonic is five years old, and like any successful marriage, the good qualities on each side have begun to rub off on the other. The orchestra sounds in better shape than it has been for years. It has become a less abrasive instrument, without losing any of its colourful virtuosity. That much was clear from the Strauss, which ran the gamut from tender warmth to jazzy swagger. The Prokofiev was equally polished, with a transparent softness in the strings and a brass choir which was never less than perfectly tuned: a bouquet for the principal horn, Philip Myers, for his resplendent contributions.

Masur, in turn, has lightened up. The partnership clearly works - but it is never going to raise the roof, as his logical account of the Tchaikovsky illustrated, in the best German Kapellmeister tradition.

Andrew Clark

Norwegian nights

The high pressure life led by some of today's international conductors was brought home earlier this year when Mariss Jansons was struck down by a heart attack. Youthful-looking and dynamic, Jansons is one of the most exciting conductors of his generation and his enforced period of convalescence has come as no less a body blow to the orchestra with which he is associated.

He has been music director of the Oslo Philharmonic since 1979, and the orchestra has reached heights it never dreamt of, winning a record contract with EMI and undertaking regular foreign tours. This week it was back to give a pair of concerts at the Proms, (seems of some of its most notable successes), but for the first time without its charismatic champion.

There has been a late-night extra over three nights with Charles Mackerras and the Hanover Band performing Haydn's six "Paris" Symphonies. Symphonies Nos 65 and 67 on Wednesday went with an ebullience that kept the energy level high even as midnight approached. In between was added an extremely odd concert aria, *Piedi di me*, for three singers and two solo instruments, which included the most unplayable music for solo horn I have ever heard: horn-player Andrew Clark deserved a festival medal for endurance.

Richard Fairman

Hanover Band's Haydn series sponsored by Scottish Widows.

R.F.

gramme, there was not Jansons's phenomenal inner clarity of sound, but the orchestra's general standard of execution held up well. Naturally enough, Honeck sees the symphony within the Austrian tradition, so the scherzo went with a waltz-like lilt and the finale's parti-writing was classically neat, but Mahlerian passion never felt short-changed.

The Monday concert opened with some untidy playing in Bartók's *Music for strings, percussion and celesta*, which took the edge off an otherwise atmospheric performance. There were antidances, too, in Dvořák's "New World" Symphony but Honeck again found most enjoyable freshness of spirit to carry it through to a high-energy finale.

Each programme had a Norwegian centrepiece. On Sunday, Barbara Bonney sang a group of Grieg songs, including two *Peer Gynt* solos, with glinting clarity of tone like a ray of Northern sunshine. On Monday, any lingering trols were sent packing by the first UK performance of Alfred Jansson's *Interlude* (1984-5), which explodes with the very un-Norwegian emotions of anger and political rebelliousness. There is not a lot of music in it, but the Prom audience enjoyed its noisy orchestral gestures.

R.F.

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COMMENT & ANALYSIS



Philip Stephens

Dealt a bad hand

Agonising over which symbols should appear on ID cards obscures issues of civil liberty and national identity

Only John Major's government could get itself into such an absurd muddle. It wants UK citizens to carry a new plastic photo-card attesting to their status as loyal subjects of the Crown. To the horror of the cabinet's Eurosceptics, it then discovers that, since the document will double as a driving licence, it must be emblazoned with the star-studded flag of the European Union. Panic.

Ministers concede that, true to the English tradition of civil liberty, an identity card must be entirely voluntary. But it can serve its stated purpose of aiding the fight against crime only if Britain eventually follows the European route to compulsion. Prevarication.

Plus ça change. This half-baked proposal to tighten the grip of the state over the citizen was always destined to end in farce. At every turn it has been shot through with contradictions. Conservatives are supposed to believe in small government. Identity cards extend the power of the state at the expense of the liberties of the individual. John Major is pledged to rebuff the federalist ambitions of Britain's continental partners. Yet the only good reason for the proposed ID is that it will further erode national frontiers within the European Union.

It is a scheme without a sense of national history. During and after the second world war, citizens were obliged for a time to carry a small piece of cardboard as proof of identity. But efforts to extend the practice indefinitely founded in the courts. In a celebrated judgment in 1952, Lord Justice Goddard declared it unenforceable under the common law upon which English liberties rest.

Like so many bad ideas (remember the poll tax), the latest proposal was born of a populist pledge at a Conservative party conference. Back in the autumn of 1994

the government was in even worse shape than it is now. Michael Howard, the home secretary, promised the party faithful that a national identity card would be a powerful weapon in the fight against crime. Two years on we are paying the price of his applause.

Consider first the cabinet wrangling over the motif on the card. It is hard to imagine more eloquent testimony to the paranoia which now infects every Whitehall debate on issues European. As one senior minister lamented privately a few weeks back, xenophobia has driven out reason.

Mr Howard can claim he won his battle to ensure the Union flag will rest alongside that of Europe. Michael Heseltine and Kenneth Clarke, the cabinet's most prominent Eurosceptics, were safely out of the country. It did not take long to persuade Mr Major that he must appease his so-called supporters on the Tory backbenches.

It is a hollow victory, one which mistakes the form for the substance of patriotism. In France, the flag of Europe is ubiquitous. Butting above the *matrice* in the smallest provincial town. No-one familiar with that country could claim the practice has diminished a fer-

oious Gallic grasp which have not been removed by parliament.

As Bernard Shaw once wrote, a healthy nation is as unconscious of its nationality as a healthy man of his bones. Citizens do not need a plastic card emblazoned with the Union flag to discover their identity. Their passports have never carried such a motif, perhaps because many have long preferred to think of themselves first as English, Scottish, Welsh or Irish.

There is too a perfect symmetry between the complexity and the absurdity of the plan. Mr Howard proposes no fewer than three versions of the card. A combined driving licence, identity card and travel document will be adorned by the European and Union flags.

For some reason, it will also carry the royal crest. A new driving licence only will also carry both flags but no crest. A third card – a combined ID and travel document for non-drivers – will bear the Union flag and the royal crest but no European insignia.

It does not end there. In Northern Ireland, British emblems can be badges of division. So Irish nationalists in the province will be permitted to hold on to their existing driving licences.

We should not though allow the idiocies of Europhobia to obscure the more fundamental objections. In one crucial respect, conveniently forgotten by all those patriotic ministers, Britain is different from its European neighbours.

Across the Channel, the obligation to carry proof of identity is matched by a codified framework of individual rights. Britain has no written constitution. The present government refuses to incorporate into domestic law the European Convention on Human Rights.

Indeed, an unwritten constitution decrees that citizens retain only those rights

which have not been removed by parliament.

Among those residual rights, the freedom to go about one's lawful business without hindrance or interference is a pivotal element in sustaining a reasonable balance between the powers of the state and the liberties of the individual. To demand presentation of an ID card is to presume guilt rather than innocence. It is another step along the road to the surveillance society. Citizens who observe the law have the right to be left alone by officialdom.

But wait, Mr Howard counters, the new card will be voluntary. The police will not be authorised to demand its presentation. For how long? The home secretary will not rule out eventual compulsion. Ministers are confident that the market will deliver what the electorate will not accept from the politicians.

If banks, shops and

bureaucrats treat it as such,

the card will soon be as

good as compulsory. The

poor, transient and the

marginalised will be left out.

But who cares? Once conditioned, the great majority will allow a switch to a mandatory system.

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FINANCIAL TIMES

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Friday August 23 1996

Bundesbank teases again

The Bundesbank loves to tease. Yesterday's widely unexpected decision to cut the repurchase (or "repo") rate by as much as 30 basis points – to an historic low of 3 per cent – is as characteristic as the then unexpected decision not to cut four weeks ago. But it is welcome. The question is whether it will be enough.

Before the last meeting senior officials hinted that lower interest rates were on the way. Yet nothing happened. What has changed to justify a relatively large cut, the first since early February? Mr Hans Tietmeyer, the Bundesbank's president, points to low inflation and the slowdown in monetary growth. Is this convincing? Up to a point, Mr Tietmeyer.

Inflation is indeed low. But so it was a month ago. No new information on prices seems to justify the change in interest rates. Year-on-year rates of increase in the cost of living have been about 1½ per cent throughout 1996. The increase in labour earnings in the year to the first quarter was already down to 3.7 per cent.

Moreover, a recovery seems to be under way. The economy probably grew strongly in the second quarter. The business climate index from the Ifo economic research institute, published on Wednesday, jumped to an eight-month high.

Above target

The news on the money supply, cited by Mr Tietmeyer, appears a better justification for cutting now. While still above its target range of between 4 per cent and 7 per cent, the decline in the annualised rate of growth of broad money (M2) to 8.6 per cent in July, from 9.6 per cent in June, has been helpful. Even so, monetary growth is running above this year's target. Again, it is hard to see why the Bundesbank should cut rates by an unexpectedly large amount, having chosen not to do so only four weeks before. This does not mean the decision was wrong, whether taken yesterday or, for that matter, four weeks before.

In the first place, longer-term monetary trends, rather than

the highly unstable annualised rates of growth from the average of the last quarter of the previous year, suggest there is no reason to worry. The annualised rate of growth of M3 has only been 5.8 per cent since the last quarter of 1992, 4.5 per cent since the last quarter of 1993 and 4.6 per cent since 1994.

In the second place, the strength of the D-Mark and the slow growth of nominal domestic demand, at below 2 per cent in the year to the first quarter of 1996, suggest that monetary policy has been too tight. It is worth noting, in addition, that the steady cut in the repo rate, from 9.7 per cent in September 1992 to 3.3 per cent in February 1996, has still left the rate firmly positive in real terms.

International context

In the third place, the Bundesbank ought to take the international context into account, as many analysts assume it has done in this case. One reason is the political stakes in economic and monetary union. But there is also a narrower economic justification. In considering the effects of its monetary policy, even on Germany, the Bundesbank must examine the consequences for European interest rates and exchange rates. The last thing Germany needs is for the French franc to fall sharply against the D-Mark or for there to be higher interest rates in its biggest trading partner.

Whether this move was taken at the right time is questionable. But it was the right move. Was it also of the right size?

Because the Bundesbank hates reversing a trend before it has run its course, it always moves cautiously. Partly, because of this and partly for reasons beyond its control, it has been "behind the curve" since it started cutting four years ago. This may still be true. Mr Tietmeyer justified the size of the cut by saying it cleared the decks for the time being. But inflation is low, economic slack is considerable and fiscal policy is tightening, not just in Germany, but throughout most of Europe. Further

cuts may soon be required.

Smoking under fire

America's tobacco companies might be forgiven these days for feeling almost as bad as the pariahs to whom they sell their products. A growing wave of lawsuits brought by smokers and by US state authorities has sent their share prices reeling. Now President Bill Clinton seems set to endorse new rules from the Food and Drug Administration for regulating the sale of cigarettes. Will tobacco companies have to forfeit a large chunk of their US profits? And where is the tide of increased regulation leading?

The first question can only be answered by the courts. But it is now being posed insistently, thanks to a jury verdict in Florida two weeks ago ordering Brown & Williamson, the US subsidiary of RAI Industries, to pay \$760,000 (£483,870) damages to an addicted smoker and his wife. This was only the second such case to have been lost by the US tobacco industry. Since the first, in the 1980s, this was overturned on appeal, as this now stands as its only defeat.

The companies' worry is that, with hundreds more cases pending, one more hostile verdict could establish a trend. And the arguments against the industry are growing in sophistication. Juries have in the past accepted that smokers freely choose their vice, but the Florida panel was swayed by evidence that the company had concealed knowledge that nicotine was addictive. Public authorities are increasingly seeking redress for costs incurred through smoking damage.

Health warnings

The proliferation of cases has more to do with the ingenuity of the US legal profession than with the merit of the arguments. It can hardly have escaped the attention of any sentient American that smoking is harmful or addictive, since the US surgeon general's 1964 edict which prescribed health warnings on cigarette packets.

The health authorities' legal case is, if anything, weaker. Although the precise sums are

A world that turns on plastic

The race is on for global payment groups to develop 'electronic purses' using smart cards, say Motoko Rich and George Graham

In Mission: Impossible, Tom Cruise's latest film, the fearless Ethan Hunt breaks into the CIA computer room, disarming a technological stronghold by punching in numerical codes and submitting his eyes for a retina scan.

While most viewers see such high-tech wizardry as fantastical, some of the gadgets may not be far from reality. Researchers worldwide are experimenting with technology which would allow not only security barriers but also electronic payment systems to use the retina, the handprint or even a facial expression as an identification method.

"We are moving into the electronic age where money will just be information about the wealth you have," says Mr Hans van der Velde, president of the European Union's region of Visa International. Some companies believe that parts of the body, rather than paper or coins, can be used to establish the amount of money somebody has available to spend.

For the time being, however, most participants in the payment industry believe the best alternative to cash remains the humble, but universal, plastic card.

An increasing number of payment card organisations are replacing the magnetic strip – the present industry standard – with a tiny computer microchip which enables cards to be used not only to carry out financial transactions but also to store data about the card's owner.

A chip-based card is much more difficult to counterfeit than the magnetic stripe card, and can carry details of a cardholder's insurance policies, medical history or driver's licence. It can be used to manage a retailer's loyalty programme and, even, be used as a key for house or car.

Above all, as a plethora of experiments demonstrates, it can be used as an "electronic purse" storing value instead of petty cash. Pilot programmes from the US to Australia are testing the capabilities of these cards.

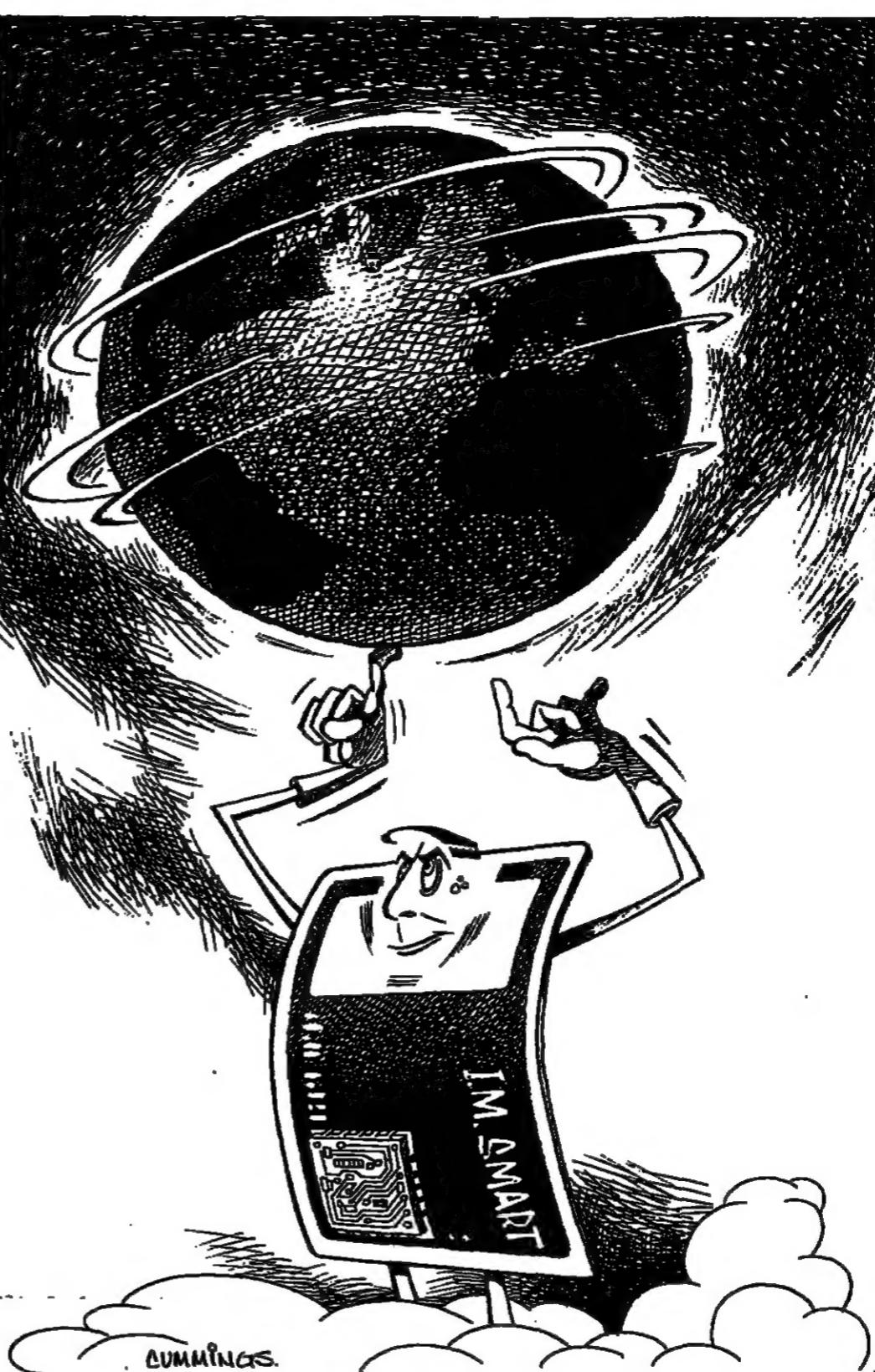
In the UK, the most advanced trial is being conducted by Mondex, originally backed by National Westminster Bank and Midland Bank, and now owned by 17 banks. During the past year Mondex has invited customers to use the cards in Swindon, where they can pay for small items like newspapers or chocolate bars without coins or notes.

The cards are loaded up with value debited from the customer's bank account at automated teller machines or on "smart" telephones. Retailers can then take funds off the card without having to authorise each transaction on-line.

While Mondex is in a race with other global payment organisations to develop and market its version of the electronic purse on a global basis, several regional projects are harnessing the smart card technology for a number of payment applications.

Transcard, operated in western Sydney by Card Technologies Australia, combines an electronic bank pass with a re-loadable cash card that clocks up loyalty bonus points for buying McDonald's hamburgers or entry to the local swimming pool. In France, customers can pay for taxi rides, newspapers and phone calls with virtually ubiquitous smart cards.

Sponsors of these projects are enthusiastic about the early results. "The technology works.



CUMMINGS.

notably Mondex – do not comply.

"The issue of standards has complicated the market for 15 years," says Mr Gerald Hawkins, manager of card services at Lloyds TSB in the UK. "It is one of the reasons why Mondex, whilst clearly a very advanced development, has taken a bit of a knock." The idea of a standard is that it would guarantee interoperability between systems, so that retailers will accept different cards.

Mondex argues that the market, rather than standards, will determine which cards will operate in point-of-sale terminals. It says that a number of these terminal suppliers have already demonstrated that interoperable equipment can be made to accept Mondex and all other magnetic stripe and chip cards.

In fact, the EMV standards themselves have been criticised

because they stick to "contact" technology, in which the chip must come into physical contact with a reader inside a slot. For high volume applications in places like metro railways or buses, contactless technology, in which a card contains a small radio transmitter or a stripe that can be read with a quick swipe, are considered more appropriate.

"A contact smart card in a mass transit environment is just too slow," says Mr John Hall, general manager for retail banking services for the Credit Union Services Corporation of Australia. The biggest problem of all, however, is ensuring the smart card makes financial sense.

"The reason for all these projects is that no-one has proven the business case. We're really interested to see if anyone makes money out of this," says Mr Eugene Lockhart, president and chief executive of

MasterCard International.

The business case for the smart card has receded because telecommunications charges which once made on-line verification expensive are now coming down, and with them fraud rates. "Ten years ago you could justify the purse on the basis that it would cut costs," says Mr Peter Hirsch, managing director of Retail Banking Research, the consultancy. "But now telecommunication costs are coming down and the business case is getting weaker. The card is too expensive to give short-term returns."

But at about \$10 a piece, a smart electronic purse, though more expensive than a magnetic stripe card, is not completely devoid of financial advantages.

Cash, which the purse would partly displace, is expensive. The Association of Payment Clearing Services in London estimates that cash handling costs the UK financial services industry about £2bn a year.

For banks, the purse could offer the chance to undo some of their past mistakes. In Australia, for example, the banks have pressed cards so far that they are being used for much lower value purchases than banks would like.

"We don't think much of paying 20 cents to process a 25 cent transaction at McDonald's," says Mr Hall of the Australian credit unions.

For merchants, the replacement of cash means the elimination of considerable hassle. "If you take cash, you have to take it home, count it, put it into a night safe and then pay it into the bank the next day," says Mr Richard Jackson, manager of Victoria News in Swindon, which accepts the Mondex card.

But many retailers are likely to resist paying for the "privilege" of accepting the purses. "Of course there will be tough negotiations between individual banks and retailers," says Mr Ron Clark, chief executive of Mondex UK. "We had this battle over Switch [the UK debit card brand] with retailers who said they wanted us to provide it for free. But over time they have paid for it because it is a business proposition."

Consumers, on the other hand, may prove much more difficult to convince that an electronic purse is worth paying for when they can get cash for free.

But Transcard charges A\$8.95 (US\$7.82) a card, and says customers gladly pay it because the cost is covered within two weeks by the free bus rides they earn through a loyalty bonus scheme.

"We have categorically proved that the consumer will pay," said Mr David MacSmith, managing director of Card Technologies Australia.

But it still may be difficult to persuade consumers to abandon cash altogether. "We are going to have a migration period of at least 10 years," said Mr Lockhart of MasterCard. It will take even longer for more technologically advanced developments like the retina scan to move out of the film world into the marketplace.

Mr Richard Tyson-Davies, director-general of Apacs said: "The card is one of the most standardised items in the world. It is tremendously accepted and recognised so it would be a very bold person who threw that away."

Financial Times

100 years ago

Bell Telephone

After an irregular opening in our market-to-day business because very inactive, but the tone was distinctly stronger at the close. The chief feature of the day's dealings was Western Union Telegraph, which rose early in the session, in consequence of a rumour that the Company had gained control of the Bell Telephone, but broke again almost immediately, on an official denial of the story.

Elsewhere there was little

doing, the sales of the day

amounted to only 55,000

shares, of which 10,000 were

Telegraph and 1,000 Sugar.

50 years ago

Newspaper Unknowns

By Lex.

With so many unknowns in the newspaper investment equation – I noticed a reminder yesterday that one of the Press Lords once said that his paper was not run for the prime purpose of making profits – it is difficult to enthuse over capital appreciation prospects of Newspaper shares.

They have indeed not quite lived down the speculative reputation engendered by pre-war attempts to obtain readers at any price. Yields are small and most shares seem to discount the foreseeable future.

• OBSERVER •

You may not credit it

book based on the bank's involvement in loans to the cinema industry. Unfortunately it only goes up to just after the second world war, omitting the less-than-happy circumstances of its control of the loss-making MGM studio in the early 1930s, finally sold in the last few weeks.

getting pushy – they're threatening to strike next month. They want bigger match fees and better pension rights.

Even more risible, when they get their photographs published they want the same whacking sort of payments the players get.

Little stinkers

In France, the under-10s are now the new target of the perfume industry. In 1995 total cosmetic sales in France were FF728.3bn (£5.6bn) – FF746.5m (£53m) went on babies or children.

French cosmetics giant L'Oréal three years ago launched onto the children's market its line of P'tit Dope fruit-flavoured shampoos. And Givenchy has produced the baby perfume P'tit Ange, which means "the little one smells nice" in French baby-talk.

In England, the Football League is in dispute with the Professional Footballers' Association over the distribution of TV cash. The players' union insists it should receive a 10 per cent share of the £125m the league is getting from Rupert Murdoch's Sky TV over five years, in line with the traditional percentage payment it has received as its share of TV rights.

The league claims that the union would be breaking industrial law if it encouraged its players to strike, but the union is likely to win a mandate for a strike once the players respond to a ballot. The two sides are due to meet for more talks today.

Dutch soccer referees are also

read "No cash office." Cash flow problems mean that employees don't expect their April and May salaries to be paid until next February (plus seven per cent interest).

But Norilsk has evidently found a way of denting the deficit, according to Ray Goldie, metals specialist at Richardson Greenshield, the Canadian stockbroker. Goldie and some Canadian nickel industry executives on a visit to the company were shocked when Norilsk's tour organiser unexpectedly announced that the cost of tours of the mine and surface workings would be US\$360 a person, payable in cash. That's more than a miner earns in a month. And at least twice the average pay in Russia.

Holiday blues

Summer holidays – don't you love them? Not if you're a finance director. Some of them in Britain think they're nothing but a nuisance.

A survey by the UK's Chartered Institute of Management Accountants has found that 10 per cent of fun-loving finance chiefs questioned said they "hated summer holidays because they disrupt normal work patterns and reduce profitability". Don't fret though; in the UK, at least, they're almost over.

Nickels 'n dimes

A joke at the headquarters of Norilsk, Russia's big Siberian nickel producer, has changed the sign on the cash office door to

China turns up heat for union with Taiwan

By Tony Walker in Beijing

China has called for a resumption of "political talks" with Taiwan in a move aimed at increasing diplomatic pressure on Taipei to accelerate progress towards reunification.

Mr Tang Shuei, China's top negotiator with Taiwan, told Taiwanese visitors this week "it time" to resume negotiations, saying Beijing wanted peaceful reunification and an end to hostility.

The initiative reflects frustration in Beijing at lack of movement on reunification since presidential elections in Taiwan in March. Before the elections, China sent missiles into waters off Taiwan and lambasted its president as someone destined for the "dustbin of history". In Beijing, a western official said China, disappointed that Taiwan had not resumed a dialogue, appeared to have

decided it was time "to put the ball back in Taiwan's court".

China regards Taiwan as a renegade province and has not ruled out force to secure its return to mainland control.

Taiwan's response to the latest diplomatic offensive, which includes proposals for direct shipping links, has been non-committal. "We have never ruled out talks on political issues with the mainland," said Mr Kao Koong-lian of Taiwan's policymaking Mainland Affairs Council.

A Chinese foreign ministry official dampened expectations of an early resumption of talks, accusing Taiwan of "disrupting" prospects. Beijing suspended cross-strait negotiations in protest at the visit to the US in June of Taiwan's president, Lee Teng-hui.

Beijing had scaled back its criticism of Mr Lee following his election and had been encouraged by his offer of a "journey of peace" for talks with mainland officials, but expectations of action have been disappointed. Chinese officials have been saying privately they believe Mr Lee is not interested in a dialogue and his real agenda is to promote a policy of "one China, one Taiwan" or "two Chinas".

China's renewed call for negotiations on such issues as direct shipping, air and postal links and, eventually, on reunification questions coincides with a resumption of what the Taiwanese describe as "pragmatic diplomacy" aimed at increasing their international living space.

Bundesbank cuts repo rate to 3%

Continued from Page 1

rate decision. But low inflation, with no dangers to price stability on the horizon, had also influenced the move.

He added the repo cut was also consistent with international conditions, though he made no reference to the problems of the French franc. Some economists said there was a strong European dimension to the Bundesbank's rate cut. The move would also help German exporters by breaking the D-Mark's rise, they said.

"We are getting more aware in the run-up to European monetary union that policy moves have international implications," said Mr Klaus Friedrich, chief economist at Dresdner Bank in Frankfurt.

Mr John Butler, a bond analyst at WestLB Research in Düsseldorf, said the Bundesbank had taken strong account of European needs. "European factors were crying out more for a rate cut than German ones."

But Mr Martin Hüfner, chief economist at Bayerische Vereinsbank in Munich, disagreed. "The Bundesbank is not the European central bank. It acts purely from its own considerations."

German business is switched on over Emu change

By Peter Norman in Bonn

The seriousness with which German business are taking European economic and monetary union - still years away - was underlined yesterday at a specially arranged meeting.

Although the D-Mark is not due to be replaced by the euro until 2002, businessmen discussed problems they think the switch will cause.

These included issues like how to write price labels on goods in the transitional period while national banknotes and coins are being replaced.

Around 100 representatives from German trade federations turned up at the hearing, arranged by the government to help it form an approach to negotiations with the European Commission on the switch to the euro.

Mr Klaus Friedrich, chief economist of Dresdner Bank in Frankfurt, said the bank was on the verge of deciding to invest DM150m (\$101.3m) in hardware and software to cope with Emu.

Once such decisions were made it was difficult to imagine Emu being abandoned or postponed, he said.

According to an economics ministry official, the main message from the meeting was that there should be no mandatory "double pricing" in D-Marks and euros during the transitional six months from the beginning of 2002.

A survey carried out for the meeting by the German chambers of industry and commerce (DIHT) showed that more than three-quarters of the 200 companies questioned wanted to price their goods and services in euros before the official replacement of national currencies at the beginning of 2002.

Just under half favoured voluntary pricing in D-Marks alongside official prices in euros in the first half of 2002, while just under a quarter were in favour of showing prices in euros only.

However, retail trade representatives feared problems in providing bar codes with double pricing, and claimed that only a quarter of German cash registers could be adapted to show prices in both euros and D-Marks.

Tobacco groups face growing pressure

Continued from Page 1

of the Food and Drug Administration. The FDA's remit requires it to ensure the drugs and products under its authority do not go on the market unless they are safe.

Since cigarettes are not safe,

the FDA would theoretically be obliged to ban them.

Tobacco manufacturers have already launched legal action to block the move, with some hope of success.

Until now, the FDA has only had jurisdiction over products which make claims of health-

related benefits. The new federal regulations on tobacco products have long been expected.

A year ago, Mr Clinton proposed measures including severe curbs on tobacco advertising, and a ban on vending machine sales.

Now, the FDA is under pressure to ban tobacco products.

Mr Fujimori's supporters argue that because a new constitution was introduced in 1993, he was in fact elected for the first time in 1995 and could, therefore, stand again in the year 2000.

The congressional debate on the move, expected to continue well into the night, will deflect attention from an embarrassing series of corruption allegations against Mr Fujimori's chief intelligence adviser, Mr Vladimiro Montesinos.

The congressional debate on the move, expected to continue well into the night, will deflect attention from an embarrassing series of corruption allegations against Mr Fujimori's chief intelligence adviser, Mr Vladimiro Montesinos.

Peruvian president accused of a virtual coup d'état

By Sally Bowen in Lima

Opposition leaders in Peru have attacked an attempt by Mr Alberto Fujimori, the country's president, to stand for an unprecedented third five-year term.

Consecutive presidential terms are traditionally taboo in most Latin American countries, but Mr Fujimori, now entering his seventh year in office, is paving the way to remain his country's head of state until the year 2005.

Yesterday a proposal was being hotly debated in congress, where Mr Fujimori's party has an overall majority, which would allow him to run for office again.

Peruvian opposition leaders have denounced the move as unconstitutional and an effective coup d'état. But members of the ruling Cambio 90/Nueva Mayoría alliance say the proposal simply "interprets" the existing constitution without changing it. Earlier this week a congressional commission approved the draft law.

Moreover, Mr Fujimori's popular approval ratings - strengthened by the virtual defeat of terrorism, the curbing of inflation and the normalisation of relations with the international financial community - have remained consistently above 50 per cent, sometimes hitting 80 per cent.

Many local businessmen and foreign investors associate Peruvian stability with Mr Fujimori and would be glad to see him stay.

He has governed Peru since July 1990 when, as a relatively obscure university rector, he snatched the presidency from the internationally known novelist Mr Mario Vargas Llosa. Less than two years later, alleging obstructionist tactics by Peru's "traditional" political parties, he closed down congress and the judiciary.

An elected constituent assembly - in which Peru's two main opposition parties refused to participate - then rewrote the constitution to permit a serving president to stand for a second consecutive term. Mr Fujimori was re-elected last year in a resounding first-round victory over former UN secretary-general Mr Javier Pérez de Cuellar.

Mr Fujimori's supporters argue that because a new constitution was introduced in 1993, he was in fact elected for the first time in 1995 and could, therefore, stand again in the year 2000.

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THE LEX COLUMN

Wealth warning

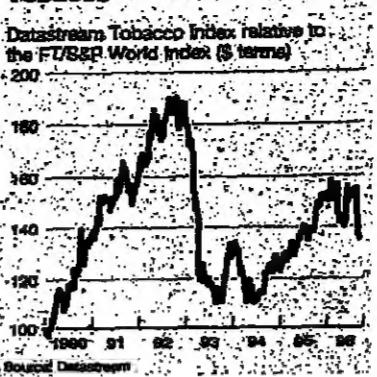
Cigarette companies are proving bad for your wealth. The tobacco giants' profits are surging, aided by growing sales in emerging markets; but against a backdrop of legal and political threats in the US, investors are steering clear. Since the industry lost its second case over two weeks ago, the Western world's three biggest tobacco companies have lost close to 20 per cent of their stock market value. Yesterday's scores only confirmed tobacco's status as a parlour sector.

The latest sell-off looks like an over-reaction. President Bill Clinton's proposals to hand regulation of cigarettes over to the Food and Drug Administration were made a year ago. It is bad publicity and would be a blow if it actually happened. But there is still a strong legal case to suggest it will be thrown out in court. Concerns over the impending judgment in the case of Mr Richard Rogers, who died of lung cancer, are more understandable. A guilty verdict would be the lowest blow to date. Nonetheless, the case is being held in a favourable jurisdiction for the cigarette companies; so the odds must be on another escape.

A favourable judgment in the Rogers case would push shares higher, but litigation concerns will not disappear. Investors should step up the pressure on BAT, RJR and Philip Morris to demerge non-tobacco businesses. Both BAT and RJR would add substantial immediate value by releasing their financial services and food businesses from legal risk. Given the performance of their shares, it is the least management could do.

FT-SE Eurotrack 200: 1729.9 (+6.7)

Tobacco



valuation at the time of unification. Indeed, the men in Frankfurt may feel that their generosity will put them in a better position to push for rigorous fiscal rules for countries which qualify for Emu.

The Bundesbank's largesse does not come without risks. By moving decisively, it has left markets wondering how much ammunition it has in reserve should the dollar or franc come under pressure. France has been given greater room for manoeuvre, but the franc is not out of the woods. Delivering a tough budget next month against a backdrop of high unemployment and low growth remains fraught with danger. But the implication of yesterday's cut may be that a successful attack on the franc remains unlikely so long as interest rates in Europe continue falling.

Rentokil

Having swallowed BET, Rentokil has to prove it can digest its prey. It has made that job harder for itself by deciding to hang on to BET's entire range of businesses, whether they fit or not.

That raises two issues. The first is whether Rentokil has the depth of management to integrate its acquisition successfully. BET has twice Rentokil's turnover, three times as many employees and a very different culture. Rentokil's top management is highly regarded and rightly so. But in a group that prides itself on keeping resources tight, there is little spare capacity among middle managers. This was demonstrated by an unwelcome jump in Rentokil's first-half working capital, at a time when the board was distracted by the bid.

The decision to keep activities Rentokil has no experience of, such as resort management and crane hire, raises the risk that something will go wrong. Second, these businesses are more capital intensive and more cyclical than traditional Rentokil gold mines like pest control. Retaining them will drag down the share rating of the entire group.

Rentokil has set its face against disposals because they would dilute earnings per share and could imperil its 20 per cent annual earnings growth. That seems a short-term view when asset sales would improve the quality of the portfolio. After outperforming the stock market by a fifth since the bid was announced, the shares stand on a 60 per cent premium to the market average. They look expensive.

The market's cautious response to news that HSBC's US subsidiary, Marine Midland, has paid \$620m to buy a New York savings and loan outfit was understandable. UK banks have an inglorious record of acquisitions in the US. But, with this deal, HSBC appears to have avoided going down the same road. The group has a reputation for keeping a tight hand on the wallet and a price of 1.55 times book value is reasonable by recent industry standards. Moreover, with rivals growing larger as US banking consolidation continues, standing still was not an option.

The deal does some way towards addressing the criticism that Marine is too small. It increases the bank's assets by about 30 per cent, and cements its status as one of the top 10 banks in New York state. It also makes geographic sense. The two institutions are in the same part of the state, so there is scope for consolidation and cost savings. Less certain is what growth prospects the deal offers beyond these rationalisation benefits. Marine should be able to sell a broader range of products to its new client base, but it has not escaped the dismal regional economy.

Within the context of a group that made \$2.3bn profit in the first six months of the year alone, the acquisition is small beer. But coming on the heels of NatWest's withdrawal from the US retail market, it does represent a clear statement of intent. Having tided Marine over a difficult decade, HSBC obviously hopes to achieve a return for its patience.

LLOYD'S
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LLOYD'S SETTLEMENT OFFER

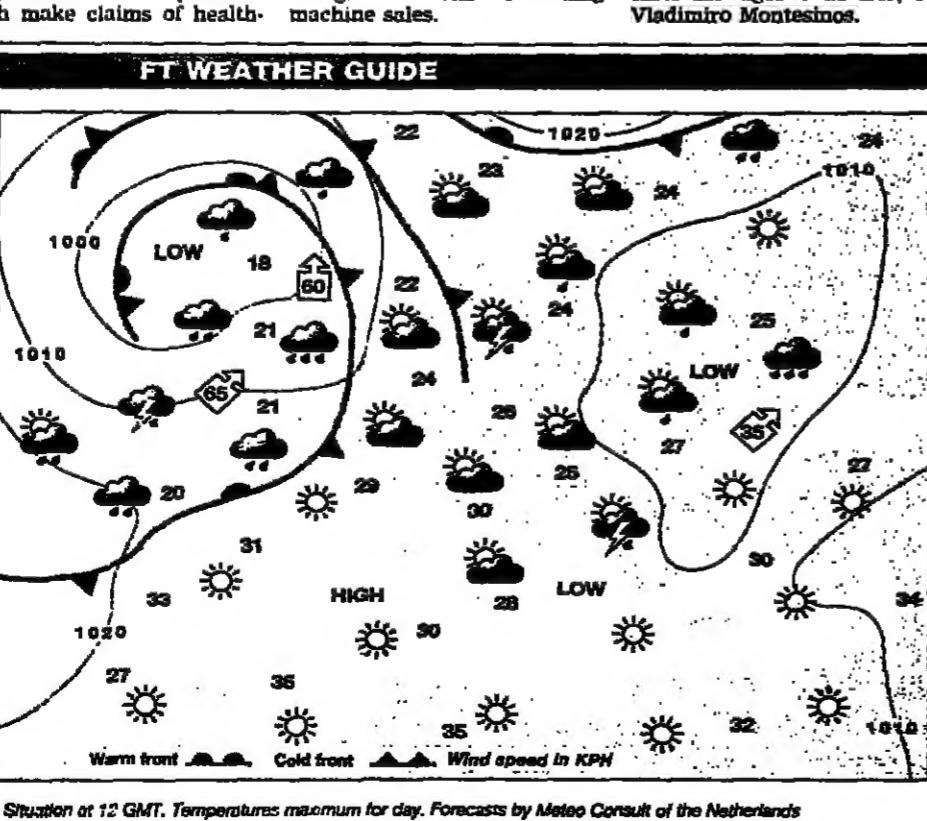
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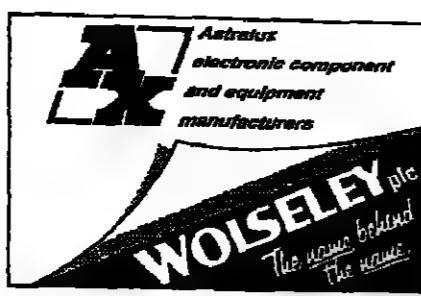
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COMPANIES & MARKETS

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Friday August 23 1996

HENRY BUTCHER
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IN BRIEF

Norske Skog beats downturn

Norske Skog, Norway's largest pulp and paper group, bucked the trend of falling profits among Scandinavia's big forestry companies by reporting a 22 per cent jump in first-half pre-tax profits to Nkr1.04bn (\$152m). But it cautioned on second-half earnings. Page 13

Chip demand helps Canon double
Canon, the Japanese camera and office equipment maker, reported more than doubled profits of Yen3.7bn (\$388.2m) for the first half of the year, supported by firm demand for semiconductor chips and computer-related products, and the weaker yen. Page 12

News Corp shares slip as profits fall
Shares in News Corporation, the international media and entertainment group run by Mr Rupert Murdoch, fell 7 cents to A\$6.40 after higher paper prices and abnormal charges caused the company to report a 25.3 per cent fall in after-tax profits to A\$1.02bn (\$170m) for the year to June 30. Page 12

Shareholders consider SmarTone sale
Shareholders in SmarTone Mobile Communications, the smallest of Hong Kong's four mobile phone operators, are considering a flotation of the company, according to Sun Hung Kai Properties, which holds a 40 per cent stake. Page 12

Currency effect bolsters BASF
BASF, the German chemicals group, reported a 3.5 per cent increase in underlying profits in the first half as a result of currency gains and acquisitions. Pre-tax profits excluding exceptional items were up DM1.00bn at DM2.93bn (\$1.97bn), thanks to favourable currency movements. Page 13

Skanska rises strongly to SKr2.4bn
Skanska, Sweden's biggest construction group, shrugged off continued weakness in the European and domestic building market to post a 5.7 per cent increase in first-half pre-tax profits to SKr2.4bn (\$361.4m). Page 13

Bass set for Carlsberg-Tetley deal
Bass was last night close to agreeing to pay £200m (\$312m) for Allied Domecq's share of Carlsberg-Tetley, the brewing joint venture owned by Allied and Carlsberg, the Danish drink group. Page 14

ITT Sheraton rules out Exclusive buy
ITT Sheraton, the international hotel chain, has ruled itself out of the auction of 17 Exclusive Forts hotels by Granada Group, the UK television and leisure concern. The chain was valued at £380m (\$1.45bn) by Christie, the UK property surveyors, at the end of last year. Page 14

Can recycling climbs outside US
The rate of recycling of aluminum beverage cans continued to climb last year - reaching 35 per cent in Europe and 37 per cent in Japan, which for the first time recorded a higher rate of recycling than the US. The total dipped slightly to 32.2 per cent. Page 20

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FRANKFURT (DM)		PARIS (FPM)	
BMW	857 + 9	720 + 7	
Holzmann	375 + 13	1612 + 21	
MAN	358 + 5	2045 + 5.8	
PWA	158 + 3	2245 + 24	
Porsche	867 - 12	465 + 24	
Zündorf Fahr	95 - 5	740 + 1475 - 65	
Dietsche	47 + 24	904 + 68	
Dixons Corp	34 + 3	467 + 21	
Zenith Elec	15% + 4%	902 + 23	
Polaris	160 - 1	756 - 19	
Hilti Processing	271 - 14	1000 - 28	
Stamps & Perf	25% - 1	1000 - 28	
London (Pounds)			
HSB Magnet	412 + 27	1000 - 1000	
Lundbeck	201 + 18	1000 - 1000	
Wet Group	234 + 18	1000 - 1000	
BAT Int'l	422 - 24	1000 - 1000	
Bersitron	160 - 11	1000 - 1000	
Dimension Data	120 - 41	1000 - 1000	
TORONTO (C\$)			
Hummingbird	42.5 + 3.0	32.75 + 1.5	
MDS Int'l A	27.25 + 2.1	32.25 + 1.0	
Net Trust	22.5 + 1.1	42.75 + 1.7	
Postcom			
Air Resources	7.9 - 1.0	5.15 - 0.8	
Crown Res	7.0 - 0.9	5.05 - 0.8	
Futucom Tech	16.0 - 0.9	22.5 - 1.0	

New York and Toronto prices at 12.30pm.

HSBC in \$620m US bank deal

By George Graham,
Banking Correspondent

HSBC, the UK-based international banking group, yesterday raised its presence in the fast-consolidating US banking market when Marine Midland, its New York subsidiary, agreed to pay \$620m to be bought by First Federal Savings and Loan.

Mr Jim Cleave, chief executive of both Marine Midland and HSBC Americas, said the acquisition of First Federal from the Toronto-based Canada Trust Financial Services group would turn Marine Midland into a bank with almost \$30bn of assets - big enough to

expand further. "We are growing in the US rather than even considering getting out," he said.

A stream of mergers and failures has slashed the number of banks in the US by a third over the last 10 years, but more than 8,800 separate institutions still survive. As legal barriers to mergers between banks in different states are removed, consolidation is likely to accelerate.

Many foreign banks, including First Federal's parent, CT Financial and the UK's National Westminster, have concluded that the price of staying competitive in the US is too high.

Mr

Edmund Clark, president of Canada Trust, said he had weighed Marine Midland's offer against the additional investment that would have been needed to achieve market dominance. "We determined we were a seller, not a buyer, at today's prices," he said.

However, Mr Cleave said that once it had digested First Federal, Marine Midland would look for more acquisitions in New York and neighbouring states. "As a group we will continue to look for opportunities to grow," he said.

The merger is expected to produce cost savings equivalent to more than 40 per cent of First Federal's cost base by

eliminating duplication in areas such as computer systems and closing some overlapping branches.

That should help to close the gap in profitability between the two institutions. First Federal, with profits of close to \$50m last year, has been producing a return on equity of 12.14 per cent, similar to other S&Ls but lower than Marine Midland's return of about 20 per cent.

First Federal's Rochester base is 100km down the road from Marine Midland's headquarters in Buffalo. Its 79 branches will expand Marine Midland's network not only in upstate New York but also in

the area of New York City. It has been growing fast in the US mortgage market, and now has \$7.2bn of assets.

First Federal is owned by CT Financial Services, parent of Canada Trust, the largest Canadian trust company. CT is in turn 98 per cent owned by Imasco of Canada, in which BAT Industries of the UK owns a 41.5 per cent stake.

CT will receive a total of \$833.5m (\$682.40m) including a pre-closure dividend of \$82.2m, producing a pre-tax gain of about \$323m. For BAT, the First Federal sale will result in a pre-tax profit of about £50m (£77.5m). Lex, Page 10

ING reviews bonus scheme

By David Brown in Amsterdam and John Gapper in London

ING Group, the Dutch bank which rescued the merchant bank Barings last year, disclosed yesterday that it was trying to create a long-term incentive plan to retain high-paid investment bankers without over-rewarding them.

The disclosure came as ING announced that pay and bonuses in banking operations had risen 23 per cent from £1.4bn to £1.6bn (£1.2bn) in the first half, largely due to the rescue of Barings at a cost of £660m in March last year. Pre-tax profits for the group rose 26.3 per cent from £1.7bn to £2.1bn, with the insurance division contributing a strong result. However, ING Group warned that it was unlikely to sustain such a strong rise in the second half.

Mr Aad Jacobs, chairman, said part of the rapid rise in expenses was due to bonuses in the City. "If you want to have first-class people, you have to pay high bonuses. We are trying to design these payments to keep people for the longer term," he said.

ING said the full integration of Barings into its new ING Barings unit made it impossible to detail the contribution of the investment bank to earnings.

Mr Jacob said the group was "very pleased" with its performance to date.

The Barings acquisition helped commission income grow 45 per cent to £1.28bn. Of this, commissions from securities broking advanced 33 per cent to £1.378m, of which 62 percentage points were generated by Barings.

The banking division's result from securities and foreign exchange trading on its own account more than doubled from £1.26bn to £1.534m. The comparable figure was lower in 1995 in the aftermath of the Mexican peso crisis.

On the insurance side, first-half pre-tax profit advanced 18.8 per cent from £1.95m to £1.16bn, due largely to higher results in the Netherlands.

Full-year earnings per share, which were £1.212 in the first half against £1.174, are forecast to rise despite an increase in share capital stemming from stock dividends and the exercise of warrants.

Privatised carrier cuts costs by A\$486m as trading conditions remain tough

Qantas increase flotation forecast

By Nikki Tait in Sydney

Qantas, the Australian airline which was privatised just over a year ago and in which British Airways holds a 25 per cent stake, yesterday comfortably beat its prospectus forecast when it announced an after-tax profit of A\$246.7m (US\$186m) for the year to end-June, compared with A\$180.3m in the previous year.

However, the result came on revenues of A\$7.6bn, well down on the A\$9.78bn forecast at the time of the float. Official figures for market share have shown Qantas falling short of the prospectus estimates.

In the 11 months to May, Qantas had 5.8 per cent of the domestic market, compared with the 5.3 per cent forecast for the year to June in the prospectus. Official figures for market share have shown Qantas falling short of the prospectus estimates.

"To offset the expenditure associated with this expansion, it was necessary to take an extra A\$175m in costs out of the business, bringing the total cost savings for the year to A\$466m," he said.

Mr Pemberton added that the savings had come from a range of areas including improved aircraft utilisation. Qantas also managed to drive down its interest expenses to A\$103m, compared with A\$151m in the previous year

adding three aircraft and capital expenditure increasing 11.6 per cent to A\$603.5m - it had been forced to seek further expenditure cuts.

The Qantas chairman showed his relief at the ending of the prospectus markers. "Thank God the prospectus is dead and buried - we delivered the profit," he remarked. But he warned that Qantas expected similar pressures in the current year.

"Lower revenue growth and a stronger dollar are again forecast. While the savings had come from a range of areas including improved aircraft utilisation, it was necessary to take an extra A\$175m in costs out of the business, bringing the total cost savings for the year to A\$466m," he said.

Qantas said a further decline in international market share was likely - perhaps by a couple of percentage points - although domestic share should remain fairly stable.

"In parts of Asia, growth is strong but at prices which do not provide a sufficient profit margin," the group said. "Profit will continue to be more important than market share."

Mr Pemberton acknowledged this was at odds with the strategies of some Asian-based airlines, which are aggressively building capacity, but said Qantas's approach was "deliberately risk-averse".

COMPANIES AND FINANCE: ASIA / PACIFIC - THE AMERICAS

NEWS DIGEST

US group agrees Gruma stake buy

Archer Daniels Midland, the US agribusiness company, has agreed to acquire a 22 per cent stake in Gruma, the Mexican producer of maize flour and tortillas, for \$255m. Gruma, whose better-known subsidiary Maseca controls one-third of tortilla production in Mexico, said it would use the capital injection to repay debt and increase reserves, saving an annual \$30m in interest charges.

The tortilla, a flat maize pancake, Mexico's staple food, its production and consumption are heavily subsidised by the government. The agreement also gives Gruma the technology and financial backing to break into Mexico's \$1.5bn wheat flour market, which is dominated by Bimbo, a successful and conservative family-run business with 40,000 employees and annual sales of \$1.4bn in 1995. Archer Daniels has a small wheat flour operation in Mexico which will give Gruma an immediate entry into the bread business.

Archer Daniels Midland will also be adding its corn flour mills to Gruma's mills in the US, increasing the Mexican company's productive capacity there by about 40 per cent. The combined operation will have annual sales of about \$180m. Gruma's revenues totalled 5.2bn pesos (\$894.7m) in the first half of 1995.

Leslie Crawford, Mexico City

Tsingtao Brewery ahead

Tsingtao Brewery, the first China enterprise to obtain a listing on the Hong Kong Stock Exchange, yesterday reported an 8.2 per cent increase in net profits, to Yn55.78m (\$6.7m), for the six months to June 30, from Yn51.53m at the interim stage last year. The company, whose initial public offering in July 1993 was 111 times oversubscribed, has fanned foul of investors recently over reported investments in a long-delayed joint venture brewery in Shenzhen, the special economic zone over the border from Hong Kong.

On Monday the company said it was still in discussions with its partner, Pine Seal Development, but that no real progress had been made. This is in spite of being granted a business licence by the Chinese government in July 1994, with an approved total investment of \$53m. Tsingtao revived the plans earlier this year and proposes building a plant with annual production capacity of 100,000 tonnes.

The interim results show profits growing again - earnings fell in 1994 and 1995 - but analysts say continuing uncertainty and a strong performance earlier this year could keep the lid on the share price, which yesterday closed flat at HK\$2.80. Earnings per share for the interim period rose 8.77 per cent to 6.2 fen from 5.7 fen. However, the double-digit growth in turnover, up 18.38 per cent to Yn833.4m from Yn704.18m, suggests there may still be pressure on profit margins, which sent earnings falling last year.

Louise Lucas, Hong Kong

WMC to sell oil and gas units

WMC, the Australian mining group, announced yesterday it was putting all its oil and gas assets up for sale - with the exception of its majority stake in the new Goldfields gas pipeline. WMC, which shortened its name from Western Mining, said the move reflected the growing rival capital demands on the group.

"To grow significantly in petroleum, we would need to commit much more capital and participate in many opportunities worldwide," said Mr Hugh Morgan, managing director. "This would draw resources from other opportunities available to the company." WMC has been aggressively expanding some of its minerals operations, and recently announced a A\$1.26bn (US\$886.5m) investment in its Olympic Dam copper-uranium project in South Australia. The assets up for sale span Australia, New Zealand and the US. In 1994-95, they accounted for operating profit before tax of A\$1.49m, on revenues of A\$18.49m. Nicki Tait, Sydney

NML confirms takeover talks

Battle Mountain Gold, the US gold mining group, is in talks with Papua New Guinea-based Niugini Mining (NML) over the possible acquisition of the outstanding 49.6 per cent of NML it does not already own. Niugini Mining, which is listed on the Australian Stock Exchange, confirmed the talks - which have been a matter of speculation - in a statement to the exchange. It said it had retained Rothschild Australia to act as adviser. However, it stressed that talks were "still at a preliminary stage".

Nevertheless, NML shares immediately jumped 16 cents - or almost 5 per cent - to A\$3.37. The company's main asset is a 17.15 per cent holding in the large Lihir gold project in PNG, although it also has mines in Chile and Australia, and varied exploration interests.

Nicki Tait

Ashton Mining slips pre-tax

Ashton Mining, the diamond mining group which holds a 40.1 per cent interest in Western Australia's Argyle mine, yesterday announced a small dip in pre-tax profits in the six months to end-June, to A\$24.7m from A\$25m. However, after-tax profits rose to A\$14.7m from A\$9.6m.

Nicki Tait

Inco stake backs Teck issue

Teck Corporation, the Canadian mining group, plans to use a newly-acquired stake in nickel producer Inco to back a C\$250m debenture issue. Teck's holding in Inco stems from the 10.4 per cent stake it held in Diamond Fields Resources, a small Vancouver exploration company whose main asset is the vast Voisey's Bay nickel, cobalt and copper deposit in eastern Labrador. Inco this week concluded a C\$4.3bn (US\$3.1bn) takeover of Diamond Fields.

Teck's share price has almost tripled since it bought the Diamond Fields stake in April 1995. An underwriting group, led by Toronto-Dominion Securities, has agreed to sell the 25-year debentures, which will pay 3 per cent interest. Each C\$1,000 debenture will be exchangeable into 20.73 Inco shares at any time after 90 days.

Bernard Simon, Toronto

Orange float helps lift Hutchison Whampoa

By John Riddings
in Hong Kong

Hutchison Whampoa, the Hong Kong conglomerate controlled by Mr Li Ka-shing, yesterday announced a 75 per cent increase in net profits for the first half of the year, as exceptional gains lifted the result to HK\$7.64bn (US\$1.01bn).

The exceptional profits came from the flotation of Orange, the UK mobile telecommunications operator, which added HK\$4.1bn to results and offset a fall in operating profits

from HK\$2.7bn to HK\$2.53bn. The contribution from associated companies also fell, from HK\$2.75bn to HK\$2.6bn.

Mr Li described the interim figures as satisfactory, noting they had been achieved in a highly competitive environment, particularly in the telecommunications and retail sectors. He struck an optimistic note on medium-term prospects and expressed confidence in Hong Kong's economic future beyond next year's handover to China.

"The group is in a strong, liquid, financial position and, with the flotation of Orange and the replenishment of its land bank, it is well positioned in all of its core businesses to build and further enhance its recruitment earnings," Mr Li said.

The results were largely in line with forecasts, although some analysts noted higher than expected losses at Orange. Mr Mark Simpson, head of research at ING Barings in Hong Kong, said he would trim his full-year net profit forecast to HK\$1.1bn, partly because of the company's cautious note on the telecoms sector.

Hutchison described the Hong Kong telecoms market as highly competitive and rapidly changing. It said it had responded to the tough environment by forming a new company in January to consolidate its activities and improve efficiency.

Retailing has also seen a harsh environment, as Hong Kong consumers emerged cautiously from a downturn in spending. However, the company's A.S. Watson division, comprising 550 retail outlets, lifted profits during the first six months.

The group's ports operations, which extend from Hong Kong's Kwai Chung terminals to Felixstowe in the UK, saw satisfactory growth in volumes and have continued to expand. Hutchison is developing a string of ports across the southern China coast, and this month secured the contract to develop Subic Bay in the Philippines.

Mr Li listed several property projects under way, including the redevelopment of the Hong Kong Hilton site into an office tower and car park, which is due for completion in 1998. Mr Li said Hutchison's property projects in China were at various stages of construction. He predicted an accelerated rate of growth in earnings from this source.

The first-half result was struck on turnover of HK\$18.02bn, compared with HK\$16.88bn. Earnings per share rose from HK\$1.24 to HK\$1.17, while the interim dividend was raised from 33 cents to 42 cents.

Growth in sales drives profit surge at Canon

By Michiyo Nakamoto
in Tokyo

Canon, the camera and office equipment maker, yesterday reported a more than twofold surge in profits for the first half of the year, supported by firm demand for semiconductor chips and computer-related products, and the weaker yen.

Recurring profit - before extraordinary items and tax - for the parent company rose to Yn63.7bn (\$598.3m) from Yn29.9bn last time, as sales of steppers - a complex piece of machinery used in the manufacture of semiconductors - printers for computers and new cameras grew in Japan and overseas.

Sales in the first half climbed 18 per cent to Yn68.8bn from Yn58.4bn, while net profits soared 79 per cent to Yn3.6bn from Yn1.5bn.

Canon has already revised upwards its forecast for the full year on the back of the strong performance and expectations that the favourable exchange rate will continue.

The Japanese company, which started out as a camera maker, has since successfully diversified into office equipment such as copiers and fax machines, as well as semiconductor production equipment and computer peripherals.

PROFILE
CANON

Market value: \$16.4bn. Main listing: Tokyo



It holds the basic technologies for the laser beam and inkjet printers, both of which sold well during the period on the back of buoyant computer sales, particularly in Japan. As a result, sales in the computer peripherals sector rose 32 per cent to Yn40.5bn.

The strongest growth, however, came in optical products, where sales of steppers were particularly strong. Canon had been expecting a 50 per cent rise in the division because of expected expansion by semiconductor makers. However, a sharp fall in memory chip prices this year has forced semiconductor companies to delay their plans, putting a slight damper on Canon's stepper sales. Nevertheless,

the division is expected to fall as a result of soft memory prices.

However, demand for printers is expected to remain firm amid continuing strong sales of PCs in Japan. At the same time, the company expects a favourable exchange rate of Yn10 to the dollar to support an 11 per cent rise in sales to Yn270bn, and a 46 per cent increase in recurring profits to Yn17bn from Yn10.5bn last year.

"A budgeted profit increase of at least 20 per cent for the full year can already appear very attainable," it said.

News said higher paper prices had cost it Yn300m last year. In spite of this, the UK newspaper group, News International, posted a 10 per cent rise in operating profit, with higher cover prices at The Sun and The Times, and advertising volume gains, helping offset the paper price rises.

But in the Australian newspaper business, profits were flat as the higher input costs took their toll. This left operating income from the newspaper division overall at A\$601m compared with A\$487m.

The US television division lifted operating profits to A\$549m from A\$513m. News said Fox television and the Fox Broadcasting Company made strong gains. In magazine and inserts, operating profits fell from A\$356m to A\$324m, while the film business fell to A\$145m from A\$122m.

Book publishing contributed only A\$90m, compared with A\$182m previously. This was blamed on the sale of the educational publishing unit, and "dramatically lower earnings for the UK" after the ending of the net book agreement.

Associated companies contributed A\$31m, against A\$37.7m last time. News said Amset, the Australian airline in which it holds 50 per cent, made a loss, although Esky, the UK-based satellite broadcaster in which it holds 40 per cent, saw improved profits.

Interest charges for the group were largely static at A\$605m compared with A\$595m, but News was helped by a 24.4 per cent drop in its tax charge, to A\$36m.

resolve our differences."

Mr Deveshwar said that in the first four months (April to July) of the current year ITC's tobacco business grew by 22 per cent and the trading results for the period were the best in the company's history.

However, shareholders are also concerned about the slow progress made in restructuring ITC businesses such as paper, edible oil and financial services. Mr Deveshwar confirmed that the value of ITC's investments in its subsidiaries had fallen substantially.

Analysts say that figure is expected to appreciate annually by between 3 and 4 per cent.

For 1996, however, the figure is slightly lower - Rs1.361bn compared with Rs1.355m, but News was helped by a 24.4 per cent drop in its tax charge, to A\$36m.

Analysts say that figure is expected to appreciate annually by between 3 and 4 per cent.

The MTRs are expected to account for an estimated 26 per cent of Telkom's revenues in 1996.

The consortium has agreed to pay Telkom an annual MTR of Rs1.355bn (\$355.3m), 4.4 per cent less than the Rs1.459bn flagged in Telkom's prospectus before its initial public offering in October.

Analysts say that figure is expected to appreciate annually by between 3 and 4 per cent.

For 1996, however, the figure is slightly lower - Rs1.361bn compared with Telkom's earlier estimate of Rs1.355m - to reflect the late start-up date of the consortium licensed to

News Corp shares slip on weaker earnings

By Nicki Tait in Sydney

Shares in News Corporation, the international media and entertainment group run by Mr Rupert Murdoch, fell 7 cents to A\$1.02 yesterday, after higher paper prices and abnormal charges led to a 25.3 per cent fall in after-tax profits, to A\$1.02bn (US\$805m), for the year to end-June. In the previous 12 months, the group made A\$1.36bn.

Discussions are at an early stage, and it is unclear whether the sell-off will consist of old shares, new shares, or a mixture of both.

Analysts reckon the company will be valued at around US\$750m, and will look to raise around HK\$1bn (US\$125.3m) by selling some 250,000 customers.

Mr David Barden, telecoms

analyst with J.P. Morgan in Hong Kong, said: "Valuations are to be interesting because they are almost operating at capacity, so they will be asking people to invest in a company where you have a risk that you have to rely on the technology."

"Globally, there are few

places where they are trying

to pack as many people on

as Hong Kong, and the

ones by which SmartTone

and (mobile market leader)

Hongkong Telecom are trying

to increase capacity is

largely untried, because no

one has had to push the

limits the way they have to."

Telkom agrees lower 'MTRs'

By Manuasia Saragoso in Jakarta

install and operate new lines in Kalimantan (Borneo).

Negotiations for the Kalimantan franchise were protracted by the dropping out of the lead company, Telkom Malaysia, and its replacement by Cable & Wireless of the UK.

Under agreements signed with Telkom last year, international telecommunications companies including Australia's Telstra, France Telecom and Japan's NTT agreed to install 2m new phone lines in five regions of Indonesia and operate them for the next 15 years.

Analysts say the downward adjustment of the MTRs was necessary because the original agreements were rushed through to ensure Telkom was ready for its IPO. Telkom went public in London, New York and Indonesia.

"Being the first time that... agreements of this type have been implemented in Indonesia, negotiations took longer than we expected as we continue to break new ground in implementing this innovative scheme," Mr Asman Nasution, Telkom president director, said.

Plans third theme

DEILKRAAL GOLD MINING COMPANY LIMITED

Corporated in the Republic of South Africa
Registration No. 74/00160/00

Further cautionary announcement

Further to the cautionary announcement made on 13 March 1996, the company is able to report that consideration is being given to a first proposal on the possibility of some form of agreement with Elandstrand Gold Mining Company Limited, with the objective of exploiting any benefits which might be achieved through joint action.

Shareholders are advised to continue to exercise caution when dealing in any shares of the company.

Johannesburg

A MEMBER OF THE
GOLD FIELDS GROUP

22 August 1996

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

CHANGE OF UK BEARER RECEPTION OFFICE

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS.



LLOYDS TSB GROUP plc

(Incorporated in Scotland with limited liability under the Companies Acts with registered number 95,000 (formerly called TSB Group plc))

Notice
to
the holders of the
£100,000,000 12 per cent. Subordinated Bonds 2011.
of
Lloyds TSB Group plc

NOTICE OF RESULT OF MEETING OF BONDHOLDERS

Notice is hereby given that:

(i) at the meeting of the holders of the £100,000,000 12 per cent. Subordinated Loan Stock 2008 of Lloyds TSB Group plc (the "Issuer") convened by the Issuer and held on Thursday, 15 August 1996, both of the resolutions proposed as Extraordinary Resolutions were voted upon but not passed by the required majority of the holders of such Stock;

(ii) at the meeting of the holders of the above Bonds (the "Bondholders") convened by the Issuer and held on Thursday, 15 August 1996, neither the preferred Extraordinary Resolution nor the alternative Extraordinary Resolution set out in the Notice to Bondholders published in the *Financial Times* on 24 July 1996 was put to such meeting as neither Extraordinary Resolution was capable of becoming effective; and

(iii) accordingly, the proposals relating to the above Bonds contained in the Explanatory Letter dated 23 July 1996 addressed by the Issuer to (inter alia) the Bondholders are incapable of being implemented and have lapsed.

Bondholders are reminded that this means that the Additional Payment (as such term is defined in the Explanatory Letter referred to above) of £1.00 per £1,000 principal amount of Bonds will not be payable.

Dated: 23 August 1996

Issued by: Lloyds TSB Group plc
Registered office:
Henry Duncan House
120 George Street
Edinburgh EH2 4LH

Mexico

on Monday, September 23.

The survey will look at the country's economy, politics, financial markets, foreign policy and more.

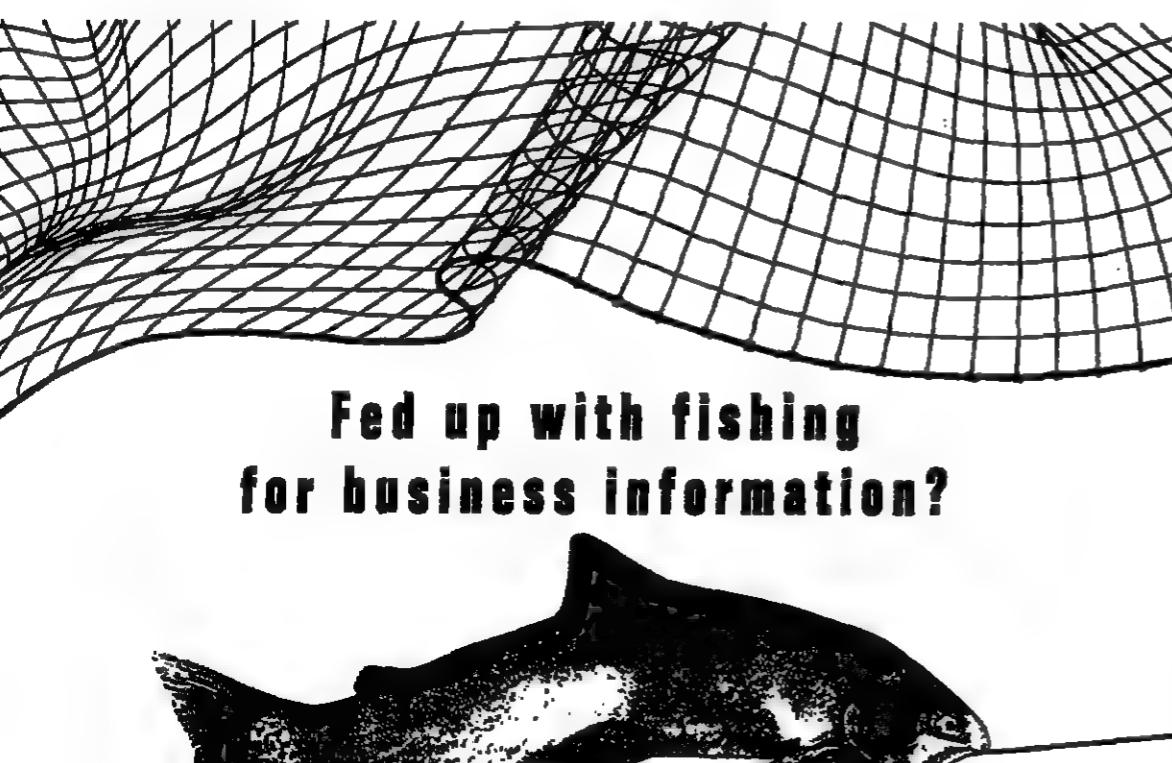
For more information on advertising opportunities in this survey, please contact: Michael Beach in

New York: Tel: (212) 888-6900 Fax: (212) 888-8223 or Juan Martinez Dugay in Mexico: Tel: (525)

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COMPANIES AND FINANCE: UK

Bass set for Carlsberg-Tetley deal

By Christopher Price

Bass was right close to agreeing to pay £200m (£312m) for Allied Domecq's share of Carlsberg-Tetley, the joint venture owned by Allied and Carlsberg, the Danish drinks group.

The Danish company would then put its half-share into Bass's brewing division, together with £20m, in return for a 20 per cent stake in the business.

Bass has insisted on an

escape clause from the deal should the UK government make what the company sees as unsatisfactory demands on it - such as the disposal of pubs - as a result of the merger.

One of the main stumbling blocks in the talks has been the threat that the deal could be referred by the Department of Trade and Industry to the Monopolies and Mergers Commission.

Bass has insisted on an

escape clause from the deal should the UK government make what the company sees as unsatisfactory demands on it - such as the disposal of pubs - as a result of the merger.

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escape clause from the deal should the UK government make what the company sees as unsatisfactory demands on it - such as the disposal of pubs - as a result of the merger.

If Bass is unhappy with any conditions imposed by the DTI, Carlsberg would buy Allied Domecq's share of Carlsberg-Tetley for £110m, while Allied Domecq would repay Bass £30m. Bass would also be entitled to 50 per cent of Carlsberg-Tetley profits from the date of the deal to when any OFT's requirements are announced.

Carlsberg-Tetley made

115 pubs and released 1,000

from lucrative supply agreements with Allied Domecq's pubs. The contracts were struck at a time when the beer industry was not so beset by overcapacity. Analysts believe Carlsberg-Tetley would barely be profitable should the contracts be struck at today's more competitive prices.

Bass is the UK's most profitable brewer and believes the synergies it can achieve through the purchase will help turn its rival round.

Weir points to DML
for decline to £19m

By Tim Burt

Weir Group, the engineering manufacturer and services company, yesterday blamed a 4.8 per cent fall in first-half profits on disappointing contributions from its materials handling operations and Devonport Dockyard joint venture.

The company said its share of profits from DML, which runs the Plymouth yard, had fallen by £2m following disruption caused by safety modifications at the submarine docks. Weir did not publish its profits from DML, but industry analysts

suggested that they were at about break-even.

The decline, exacerbated by delays to payments on Ministry of Defence contracts, contributed to reduced pre-tax profits of £19.2m (£30m) to June 26. Last time they were £23.2m.

The results, on sales of £214m (£228.4m), were also hampered by a weak performance at the lossmaking Strachan & Fenshaw materials handling business.

Sir Ron Garrison, chief executive, said the deficit at the subsidiary had increased by £1.6m following costs

incurred on site services for gas-fired power stations.

"We've withdrawn from that business and are now rebuilding profits," he said.

Group operating profits were unchanged at £18.3m, while profits from associates were £1.95m (£2.65m).

Although the group did not break out its modest figures, it said its pump companies had shown a modest improvement in both turnover and profit margins.

Bolt-on acquisitions, meanwhile, helped lift profits and sales in the valve-manufacturing operations.

Sir Ron hinted at further



Ron Garrison: rebuilding profits at Strachan

acquisitions in this area and suggested that Weir could invest up to £65m without straining its balance sheet.

ITT Sheraton out of Forte bids

By Schaherazade Demezenic

ITT Sheraton, the international hotel chain, has ruled itself out of the auction of 17 Exclusive Forte hotels by Granada Group, the TV and travel concern.

The company, which had initially expressed an interest, said yesterday it had not made any bids.

The chain was valued at £23m (£1.65m) by Christie, the property surveyors, at the end of last year.

Prospective purchasers were required to submit a blind bid to qualify for financial information and take part in the auction.

It is believed that ITT was put off by the blind bid element.

One analyst said that Granada had received some good offers for individual hotels, although others had

attracted less interest. "Granada's dilemma will be whether to opt for higher prices for some hotels or to sell the whole lot but probably for not very much more than £200m."

Some bidders - about 40 are still in the race - have their sights on Forte's 68 per cent holding in the Savoy group, which Granada is also trying to sell.

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends	Corresponding dividend	Total for year	Total last year
Bailey (Baa)	6 miles to June 30	11.6	(11.3)	0.118	0.76	(0.68)	0.3	Sept 27	0.3
Baumagroup	6 miles to June 30	28.3	(34.4)	4.389	5.43	9.3	11.7	Nov 1	2
Bear's Hatchery	6 miles to June 30	45.4	(43.0)	7.326	(8.23)	15.2	(17.1)	Oct 18	10.6
Barford	Yr to Feb 28	1.24	(0.632)	0.0116	0.247L	0.1L	-	-	16.5
Goldcrest	6 miles to July 27	26.1	24.8	0.054	0.489L	1.18	(1.48L)	Dec 18	1.2
Hydro Int'l	6 miles to June 30	1.51	(1.01)	0.055	0.34L	4.53L	(3.39L)	-	4.5
Hydro Int'l	6 miles to June 30	1.51	(1.01)	0.055	0.34L	4.53L	(3.39L)	-	4.5
Quickfit	6 miles to June 30	184.4	(165.4)	41.299	2.739	7.3	3.3	Nov 8	3.8
Reardon	6 miles to June 30	942	(942)	134.5	942	7.67	(6.51)	Nov 7	1.23
Taylor & Clark	6 miles to June 30	10.7	(15.1)	0.574	0.093L	2.8	(1.1L)	-	4.2
Wor	6 miles to June 28	314	(296.4)	19.2	(21.2)	6.8	(7.3)	Nov 8	2.2
Whitsons	6 miles to June 30	44.8	(37.9)	5.22	(4.96)	14.45	(13.47)	Nov 14	7.5
									11.8
Investment Trusts	-	-	-	-	-	-	-	-	-
Central Euro S	6 miles to June 30	115.8	(74.5)	1.41L	(0.953)	0.57L	(0.31)	-	0.67
Flooding Enterprise	Yr to June 30	278.2	(238)	3.16	(2.19)	7.68	(5.47)	Oct 7	3.85
London St Lawrence	Yr to June 30	(-)	(-)	(-)	(-)	3.12	(-)	Nov 29	3.12
									6.24

Earnings shown basic. Dividends shown net except £1.00s. Figures in brackets are for corresponding period. After exceptional charge. Water exceptional credit. 10% increased capital. No payment declared but holders rank for final dividend declared by News Corp. US\$ currency. Includes special of 1.1p.

OMRON CORPORATION

Omron has received from Telega that payment of a Cash Dividend of Yen 0.60 per share has been made for the six months ended March 31, 1996. The cash dividend will be remitted to United States Depositors in accordance with the United Kingdom and will consist of 100% of the Depository shares issued. Details of any cash dividends will be communicated to the Depository shares issued.

REPRESENTATIVES OF ALL OTHER COUNTRIES (EXCLUDING THE REPUBLIC OF KOREA AND THE UNITED STATES OF AMERICA) WILL RECEIVE A CASH DIVIDEND OF YEN 0.60 PER SHARE. THE CASH DIVIDEND WILL BE PAID ON JULY 10, 1996.

TO OBTAIN DIVIDENDS AND INFORMATION CONCERNING WITHHOLDING TAX AT A REDUCED RATE, THE COUPONS MUST BE PRESENTED TO THE LOCAL OMRON CORPORATION OR RESIDENCE APPROVING THE OMRON CORPORATION OF FINANCE, PERSONAL TAX OFFICE OR ANY OF THE OFFICES LISTED BELOW. IN THE ABSENCE OF SUCH APPROVING THE OMRON CORPORATION OF FINANCE, PERSONAL TAX OFFICE OR ANY OTHER WHICH IS IN CONTROL.

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RECRUITMENT

Richard Donkin on the search for fulfilment in the workplace

A good working example

There was a time when a job was assessed by a potential employee for its prospects. It was considered the medium through which we might fulfil our life's ambition. That may still be the case for some people but there is a new body of evidence that suggests otherwise that the job is considered by many as primarily a means of obtaining income and not much more than that. Work is undertaken out of necessity.

This rather depressing picture of attitudes to work is one of the more disturbing conclusions of a report called *Working Lives in the 1990s* which examined the views of 1,000 UK people between October 1994 and February 1995.

The research was collated by Alan Hudson, Dennis Hayes and Toby Andrew of Global Futures, a research institute established to study the impact of demographic and economic change on people's attitudes to work. At first glance the findings do not appear to be too surprising, given the transformations that are being effected by the introduc-

tion of business approaches such as total quality management.

Trade unions, it found, have become marginal to workplace life, even though most working people have become resigned to an insecure future. Less than half of those surveyed were members of a union and among the under 25s the proportion of union membership was down to a quarter.

Rather than look to their union representative as a solution to workplace problems, people were three times more likely to approach their managers.

Employees have become more responsible in the workplace, accepting the need to cover for absent colleagues without complaint. The so-called "empowered" workplace appears to have become a reality. Two-thirds of those questioned said they were increasingly involved in decision-making while 85 per cent said they felt personally responsible all the time for the work they do.

What is perhaps most dispiriting about the study's findings, however, is the feeling of help-

lessness among many people in their work environment. In spite of their more co-operative behaviour they are finding it more difficult to see the road to personal fulfilment in their existing jobs.

The authors say: "Quite often we

encountered a sullen and inward-looking pragmatism, and perhaps cynicism, even about mere survival. At the same time there was also a sense of possibility and adventure that contradicted the spirit of low expectation."

In other words people are just as ambitious as they ever were, but cannot find a way of fulfilling their aims at work.

Perhaps, then, people are turning to other outlets, such as leisure and spare-time pursuits in which to invest their greatest endeavours and creativity. Certainly the study found an overwhelming preoccupation with training and education. This may explain the rise in the popularity of the working or learning hole days.

Last week I found myself with a group of people carrying out

Salaries bonuses and car allowances in City of London finance

Position	Base salary			Average salary		Car provision/allowance		
	Lower quartile £	Median quartile £	Upper quartile £	Salary %	Bonus %	Wkm %	Car Value £	
Corporate finance head	105,500	120,000	160,500	130,762	65.4	100	24,339	6,422
Capital markets head	122,500	147,500	181,250	153,333	51.5	100	22,000	9,210
Bond sales head	80,000	105,250	116,250	103,533	63.6	70	16,816	7,463
Fund management director	102,750	125,000	148,250	125,646	31.3	100	24,000	8,465
Future & options head	62,510	100,000	155,000	115,644	91.2	100	19,918	7,732
Eurobond trading head	93,750	125,000	146,000	122,323	39.4	75	20,075	7,723
Equity trading head	88,000	120,000	135,000	119,333	62.4	67	16,666	8,300
Private banking head	72,500	100,000	110,000	97,209	27.1	67	16,666	7,428
Head of research	78,375	98,000	142,000	106,685	69.0	100	23,392	7,258
Financial director	70,000	82,000	92,000	95,463	42.2	97	24,219	8,048
Child FX dealer	67,750	90,500	117,250	94,368	17.7	81	19,900	6,809
Legal services head	66,000	72,500	80,750	76,643	31.5	94	21,201	8,759
Participle director	74,250	80,000	91,500	86,103	59.4	100	26,300	7,750
Money market head	57,500	70,000	80,000	71,530	37.1	89	16,835	5,864
DP director	57,000	86,000	75,000	67,910	33.9	100	20,198	6,867
Credit manager	38,500	44,500	48,500	44,769	9.7	59	19,059	5,487
Customer services head	27,500	29,000	33,500	31,370	8.2	43	15,657	5,406

Source: *Monks Partnership*

environmental research in Madagascar. The project was partly looking at lemur conservation among the island communities in north-west Madagascar and partly examining the potential of tourism for the local economy.

The people in the group had

invested their annual holiday

savings in their two-week contri-

bution to the project, run by

Earthwatch, a charity dedicated

to supporting various scientific

studies worldwide. They studied

the behaviours and patterns of

different groups of black lemurs

and they interviewed tourists

about their spending habits and

holidays.

Not only was the group's multi-

cultural make-up a stimulating

experience, each one of the party

said they had learned things that

they could apply in their future

studies or jobs.

Many, it seemed clear, were

finding inspiration from the

study that they did not always

find in their normal working

lives. If the findings of the Global

Futures Report reflect an accu-

rate picture of workplace atti-

tudes today they present an

important challenge for employ-

ers. How is it that a charity can

attract people to invest their

vacations and substantial fees in

a working programme abroad,

when most people go to their

everyday jobs, chiefly to collect

the salary cheque at the end of

the month?

If employers could harness

only a fraction of that enthu-

iasm and commitment they could

reap much greater benefits from

their employees in innovation. To

do so they must give people back

their job prospects, restore their

ambitions. But in how many

workplaces today can we find

such an agenda?

Monks Partnership, which has

just published quarterly data on

City salaries (see table), says it

has noticed increasing bonus

payments to traders and sales

people in bonds and staff in for-

exotic exchange trading, money

market trading and corporate

finance.

Monks Partnership, The Mill House, Wimborne, Dorset, Saffron Walden, Essex CB11 4JX. Tel 01799 542222 Fax 01799 541803. E-mail: info@monks.co.uk

Working Lives in the 1990s: The Professional Findings of the Attitudes to Work Survey. Alan Hudson, Dennis Hayes and Toby Andrew, Global Futures, 1 Wellington Mansions, Shacklewell Lane, London N16 7TF. £15.99 for institutions, £13.99 for individuals.

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Our client is again expanding its Corporate Risk Management team. The Credit Analysts work closely with the Corporate Bankers and are responsible for both company and transaction analysis for major British and international corporates within specific sectors. We invite applications from candidates with credit training from a leading bank and a minimum of two years' experience of analysing large companies with complex consolidated accounts and exposure to structured or project finance transactions. There will be the opportunity to add value to the structuring of complex deals and the constant intellectual challenge of building expertise in new sectors. There is scope for excellent long term career progression. Initial remuneration is negotiable up to £35,000 + bonus and good bank benefits package.

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- Build awareness of the need and opportunity for improvement.
- Set goals for improvement.
- Organize to reach the goals (establish a quality council, identify problems, select projects, appoint teams, designate facilitators).
- Provide training.
- Carry out projects to solve problems.
- Report progress and recommend recognition.
- Communicate results.
- Maintain momentum by making annual improvement part of the regular systems and processes of the bank.

Candidate should be 35-45 years old, holding BA/MBA with at least 5 years experience in this field, preferably with a major bank.

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Please forward your application to:

The Chief Executive Officer

Po Box 13416

Bahrain.

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Please write, enclosing a CV and analytical description of your investment system, to:

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have an extensive knowledge of these markets backed by at least 2-3 years' sales, trading or research experience gained within the region. In addition, you will need a thorough understanding of a wide range of products including Fixed Income, Equities, Foreign Exchange and Money Markets.

To apply, please send full career details, quoting ref: 511, stating the area which interests you, to Alastair Lyon, Confidential Response Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be sent to this client but please indicate any company to which your details should not be sent.

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The requirement is for a successful record in corporate recovery, turn-around and disposals preferably in an international manufacturing or process context and in an environment of change. Experience of mergers, trade sales, industrial financing and emerging markets is desirable.

Contracts, for between one and two years, will probably be on a full-time basis. Salaries and expatriate packages will be highly competitive.

For further details and an application form to be returned by 30th August 1996, please fax one of the following European offices of the Accord Group, who are advisers on this aspect of the Phare programme:

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Brussels (32-2) 242 80 72

Budapest (36-1) 255 2660

London (44-171) 831 8317

Madrid (34-1) 584 72 75

Paris (33-1) 44 43 98 98

Prague (42-2) 74 2348

Rome (39-6) 621 4213

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c.£45,000

Our client is the City based branch of a major overseas Bank which is currently undergoing significant business growth. This includes actively expanding and developing its treasury business, and in particular its range of derivative products.

As part of its treasury support strategy they are implementing major automation improvements, including 'straight thru processing' systems, and to further strengthen its treasury support capabilities they now wish to recruit a senior treasury back office professional.

The Role

- Responsible for a team of 30+ support staff in all aspects of treasury back office.
- To direct and implement programmes for change as well as identifying opportunities for improvement in operational efficiency and quality assurance.
- To contribute to business development initiatives, provide advice, and maintain liaison with both treasury and other support departments.

The position reports to the Head of Treasury Operations and is an exciting opportunity for a motivated individual to make a significant contribution within a challenging and dynamic organisation.

Interested candidates should contact

Michele Blomfield or submit a Curriculum Vitae to the address below.

Joslin Rowe Associates Ltd Bell Court House 11 Blomfield Street London EC2M 7AY

Telephone 0171 638 5286 Facsimile 0171 382 9417

A Member of the Blomfield Group

Management Consulting

FINANCIAL INSTITUTIONS ACCOUNTANTS

(Reference Code: FIA)

If you have a CPA, have successfully developed and implemented general ledgers, accounting policies and procedures; have automated accounting systems in a financial institution; environment and have familiarity with COSPAN and International Accounting Standards.

FINANCIAL INSTITUTIONS OPERATIONS SPECIALISTS

(Reference Code: FIOS)

If you have defined, developed and implemented operating policies and procedures; have re-engineered transaction processes and have trained staff in a financial institution environment.

Barents Group, LLC, a wholly owned subsidiary of KPMG Peat Marwick, has opportunities for professionals with financial institutions accounting and operations skills for short-term and long-term assignments in Central Europe and the former Soviet Union. Candidates should have a minimum of 10 years of related experience. Experience in international assignments and appropriate foreign language skills are desirable.

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If this opportunity may interest you, please write in confidence and with a full CV to Douglas G. Mison, FCA, FIMC at Mizon Executive, PO Box 51, Hatfield, Herts AL9 7BJ.

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INTERNATIONAL CAPITAL MARKETS

Europe buoyed by German rate cut

By Samer Iskandar and Susanna Voyle

European and US bond markets moved in opposite directions yesterday. German and other continental European markets were buoyed by the Bundesbank's surprise decision to cut its repo rate by 30 basis points to 3 per cent. Although some participants were expecting a cut, few had predicted more than 15 basis points.

GOVERNMENT BONDS

The cut was followed by similar moves in France, Belgium and the Netherlands, reduced pressures in the currency markets, and was generally seen as strengthening the process of convergence ahead of European monetary union.

In the US, Treasuries drifted lower in early trading following further signs of stronger economic activity.

Southern Europe's high yielding markets outperformed the others, with Spanish bonds the strongest. The September bono future closed at 101.21, up 1.03. In the cash market, the 10-year yield spread over bonds tightened by 12 basis points to 249 points.

Hopes of a cut in the Spanish repo rate were raised but

analysts said the central bank might want to link such a move to the presentation of the 1997 budget.

Italy also rallied. Liffe's September BTP future settled at 116.22, up 0.94. In the cash market the 10-year spread over bonds fell by 10 basis points to 316 points.

Mr Kirit Shah, chief market strategist at Sanwa International, said the outperformance was mostly led by developments on the currency markets, with the D-Mark weakening against the dollar and other European currencies. He said the decision to ease "provided short-term relief to the markets. But for the convergence process to resume, we still need to see the dollar breaking above DM150."

French bonds ended higher, in line with bonds. Matif's September Pibor future totally priced in the rate cut, rising by 0.31 to 96.07. "The Pibor's rise was overdone," said a trader in Paris. "We are likely to see a correction soon."

The September notional contract settled at 123.90, up 0.60, and the 10-year yield spread over bonds tightened by 1 basis point to 3 points.

Earlier on, the spread was even narrower, but traders saw heavy selling by large institutions before it fell into negative territory.

"Easing the [German] repo

rate does not solve Europe's structural problems," said Mr Shah, referring to high budget deficits and France's record unemployment.

Ms Phyllis Reed, European bond strategist at BZW, said "the franc is not out of the woods yet." She expects renewed pressure on both OATs and the currency in the run-up to the 1997 budget.

Traders were divided over the likelihood of further rate cuts. Ms Reed said there was

room for another 15 to 20 basis points, as the repo rate remained well above the discount rate, but she warned that bonds could soon come under pressure.

"The Bundesbank will be in a dangerous situation. There is a risk that the market will misinterpret [yesterday's] cut if the German economy shows further signs of strength," she said.

■ German bonds rose more modestly. On Liffe the September bond future rose 0.43 to close at 97.53, well below its high of 98.04.

Traders were divided over the likelihood of further rate cuts. Ms Reed said there was

room for another 15 to 20 basis points, as the repo rate remained well above the discount rate, but she warned that bonds could soon come under pressure.

"The Bundesbank will be in a dangerous situation. There is a risk that the market will misinterpret [yesterday's] cut if the German economy shows further signs of strength," she said.

■ UK gilts proved the most immune to the Bundesbank rate cut - underlining the country's "de-coupling" from the rest of Europe, said Mr Andrew Roberts at UBS.

He said gilts appeared to

be stuck in a range of 107%

See Lex

Landmark \$250m loan facility for AsiaSat

By Louise Lucas
In Hong Kong

Asia Satellite Telecommunications, the Hong Kong based satellite consortium, has tapped the capital markets for the second time in two months to raise a US\$250m term loan facility in June. The shareholders received an aggregate HK\$2.1bn from the offering.

The company, previously

held in equal parts by three companies with telecoms interests - Cable and Wireless of the UK, Hutchison Whampoa of Hong Kong, and Citic, China's flagship investment vehicle - was floated on the Hong Kong and New York exchanges in June. The shareholders received an aggregate HK\$2.1bn from the offering.

Yesterday, the lead arrangers called the loan facility a landmark deal for AsiaSat's satellite industry as AsiaSat was able to obtain funding without guarantees from the three big shareholders. Previous deals in the region, such as those for Palapa of Indonesia and APT Satellite in Hong Kong, have required such guarantees.

"It is a sign of the company growing up. It is a symptom of the same thing as the share offering the company in its own right went public and is borrowing on its own two feet," said Mr Torquil Macleod, associate project finance at HSBC Investment Banking.

The loan has been structured as a hybrid of project

and corporate finance, reflecting AsiaSat's youth (it was launched in 1988) and its infrastructure style activities.

The facility is for 7% years and will be used for general working capital. The lead arrangers are Fuji Bank, JP Morgan Securities Asia, HSBC Investment Bank Asia, and Paribas Asia.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

	Red	Days	Price	Change	Yield	Week	Month
Coupon						ago	ago
Australia	6.750	11/26	91.2600	-0.60	7.51	8.11	8.75
Austria	6.250	09/06	95.6000	+0.20	6.51	6.31	5.58
Belgium	7.000	09/05	103.0000	+0.610	5.57	6.02	6.93
Canada	7.000	07/10	97.9100	-0.180	7.29	7.33	7.77
Denmark	8.000	09/05	108.1000	+0.460	7.23	7.24	7.58
France	5.500	09/05	103.2000	+0.200	6.50	6.51	6.81
Germany	6.250	04/05	99.6300	+0.400	6.20	6.29	6.53
Italy	8.000	02/05	103.0000	+0.150	7.58	7.58	8.00
Japan	No 140	02/05	101.2000	+0.350	8.31	8.32	9.14
No 182	5.000	08/05	98.1874	-0.140	8.12	8.15	8.31
Netherlands	8.500	05/05	115.2000	+0.260	8.27	8.28	8.48
Portugal	11.875	02/05	110.5500	+0.130	8.05	8.06	8.73
Spain	8.800	04/05	98.8000	+0.030	8.78	8.80	8.94
Sweden	8.000	02/05	98.0000	+0.020	7.95	7.95	8.00
UK Gils	8.000	12/05	97.30	+1.722	7.73	7.83	7.85
US Treasury	8.000	10/05	100.21	+0.920	7.93	7.95	7.97
ECU French Govt	7.500	04/05	98.22	-0.020	8.85	8.85	9.01
London clearing	7.500	10/05	104.3000	+0.520	8.78	8.78	9.00

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CURRENCIES AND MONEY

MARKETS REPORT

Bundesbank move sets off flurry of rate cuts

By Richard Adams

he Bundesbank showed it had lost none of its ability to surprise markets yesterday, with an aggressive interest rate cut that drove down the value of the D-Mark and sparked similar moves in other currencies.

The German central bank cut its securities repurchase rate - or repo rate - by 30 basis points to 3.0 per cent, a far greater reduction than most analysts had predicted.

Mr Hans Tietmeyer, Bundesbank president, later said the recent developments in the M3 broad money supply measure had been decisive in the bank's decision.

Central banks in France, Austria, Holland and Belgium quickly took the opportunity to cut their equivalent interest rates.

The German rate cut took pressure off the French franc, which strengthened to FF 3.409 against the D-Mark

at close of trading in London, from FF 3.421 at the previous close. September FIBOR interest rate contracts rose to 96.07, up 31 basis points on the day, suggesting lower interest rate expectations.

The D-Mark fell against the US dollar. It closed at DM1.495 from DM1.481. Against sterling, the D-Mark finished at DM2.316, from DM2.297. The dollar was unable to gain against the yen, ending down at Y108.3, from Y108.5.

The Bank of Canada also took advantage of the market movements to cut its bank rate by 25 basis points, to 2.6 per cent.

The Greek drachma weakened against the D-Mark and

the dollar on expectations that the Bank of Greece might cut rates today and on the announcement yesterday of a snap general election.

The Bundesbank knows how to move markets. After the bank's decision to leave rates unchanged last month, yesterday's dramatic cut to a historic low for the repo rate was unexpected. The bank did not change the Lombard or discount rates.

But will they cut again? Opinions in the market are divided over whether the 3.0 per cent level is the bottom, or whether the bank has any room for more cuts.

Ms Alison Cottrell, international economist at PaineWebber in London, thinks the central bank will be able to make repo rate reductions over the next two months.

"I say that there are 10 to 15 basis points to come. We'll see upwards pressure on the D-Mark before the

economy is ready for it."

But Mr Tietmeyer, currency strategist with ABN AMRO Bank in London, disagreed. "It looks more of a one-shot move."

"In my opinion the repo rate is fixed at 3.0 per cent, maybe to the end of the year. There is no reason to expect any tightening until the end of next year, because

the pace of recovery is so weak," Mr Norfield said.

The first beneficiary of Germany's repo cut was France. The Bank of France responded to the Bundesbank's move by reducing its intervention rate to 3.35 per cent, from 3.55 per cent, and the franc began to look much healthier.

Austria reduced its key short-term rate to 3.30 per cent from 3.4 per cent, and its repo rate to 3 per cent from 3.3 per cent. Belgium cut its central rate to 3 per cent from 3.3 per cent, and the franc began to look much healthier.

The Dutch central bank reduced its special advances rate to 2.50 per cent from 2.70.

Many analysts were surprised that the US dollar did not seem to benefit from the D-Mark's fall to a greater extent. Top of the range expectations in the short term seem to be around DM1.62, but since the dollar

failed to make it through DM1.50 yesterday, some were questioning why.

"We've seen a tremendous amount of dollar buying today, and it's worrying that it was only up by a penny," said Mr Avishai Persaud, currency strategist at JP Morgan in London.

"If it's not going to rally on this news, then what will it rally on?"

The Bank of Canada said the timing of its rate cut was influenced by the narrowing of Canada-US spreads on bond yields.

The Canadian dollar ended at C\$1.371 after the cut, little changed from the previous close of C\$1.373.

■ OTHER CURRENCIES

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COMMODITIES AND AGRICULTURE

'Gang warfare closes Tajik aluminium plant'

By Sander Thomas in Almaty, Kazakhstan

Gang warfare and chronic cash shortages have forced the Tursunzade aluminium smelter in Tajikistan, one of the largest in the former Soviet Union, to suspend its operations, according to reports from the central Asian republic.

The plant, with a nominal production capacity of 300,000 tonnes a year, is Tajikistan's largest foreign exchange revenue earner. It shut down temporarily earlier this month for lack of alumina (aluminium oxide) and electricity, as well as cash. But the smelter's future is also threatened by a battle between two rival



gangs for control of the industrial town of Tursunzade.

All communication with the town was lost earlier this week but reporters in the capital, Dushanbe, 50km to the east, said shooting between the two groups had since subsided. According to

unconfirmed reports, one group has mined the entry to the factory to keep the other out.

Tajikistan risks losing \$20m a month in export revenue from the aluminium produced at the plant, most of which is shipped to the Netherlands. Interfax said

the plant had produced 16,000 tonnes of aluminium in June and more than 100,000 tonnes during the first half of 1995, down 15 per cent from the same period in 1994.

Since 1992, civil war has divided the mountainous republic into numerous fiefdoms where control over factories and trading routes is at least as important as ethnic, regional and political rivalries.

In Tursunzade, both groups are headed by ethnic Uzbeks.

"This is not an ethnic conflict, it's just a mafia fight," said Mr Umed Babakhanov, editor of Asia-Plus, a Tajik business news service. "Two gangs are fighting for con-

trol of the town."

One group demanded that the mayor of Tursunzade be sacked after eight of its members were killed three weeks ago. The group fled into the hills but has made numerous attacks since, killing a leader of their opponents earlier this week, Mr Babakhanov said.

"The fighting is not about who you control the mayor you can put your people in all the other posts," Mr Babakhanov said.

"Some of these gangs made a fortune from exporting aluminium."

Some economists are recommending that the plant be shut down permanently, regardless of the outcome of

the latest dispute. Imports of alumina from neighbouring Russia cost the republic almost as much as it makes from exports of aluminium, and rising energy costs ensure that production is unprofitable. "But they probably won't shut it down," Mr Babakhanov said. "Too many people still make lots of money from aluminium exports."

The civil war has killed tens of thousands of people and sent even more fleeing to neighbouring republics.

Tajikistan is rich in minerals, notably silver, but direct foreign investment was only \$2m in the first half of this year, mainly in cotton-processing and gold mines.

that the Stockpile will not take the 85,000 tonnes back until early 1997," he adds.

Expressing the frustration felt by many market analysts, Mr Hollands says: "We do not know enough about the 85,000 tonnes in Shanghai. Why was it taken out of LME warehouses when supplies of copper for immediate delivery were tight? What motivated and what now motivates the owners? What exactly has CNIIC agreed with the stockpile over timing? Under what conditions would this material be sold into the domestic or export market now, and bought back later? What, if any, is the strategic purpose of the Strategic Stockpile?"

Mr Hollands suggests that much of copper's price weakness in the past few months was caused by the Sumitomo affair. He points out that no firm information is available about Sumitomo's remaining copper futures position "but the metal stays in China, prices could average \$1,575 to \$1,625 a tonne next year. Copper for delivery in three months on the LME closed last night at \$1,500."

Mr Peter Hollands, editor of CBS, says the copper in China is rumoured to belong either to Sumitomo, the Japanese group that recently dismissed its senior copper trader for unauthorised trading, or to China National Nonferrous Metals Import and Export Corporation (CNIIC). "Similar tonnage is believed eventually to be needed for return to China's Strategic Stockpile, but when that would happen is unclear. Our understanding of the original loan from the stockpile to CNIIC was that it was for up to two years. If that is correct, it may be

Shanghai warehouses 'hold copper market key'

By Kenneth Gooding, Mining Correspondent

Short term copper prices depend on the fate of about 85,000 tonnes of the metal in Shanghai warehouses, moved to China from London Metal Exchange warehouses in the past two months.

Making this point in its latest Copper Briefing Service publication, Bloomsbury Minerals Economics, the copper industry specialist, says the destiny of this metal is even more important because, by BME's calculation, the global market surplus is much smaller than previously thought.

If the metal in China is released to the market, BME suggests that copper prices could fall from late August or September to give a first half average next year of US\$1,575 a tonne and a second half average of \$1,625.

Acres was set up in 1984 and its members are Alcan of Canada, Alcoa and Reynolds of the US, Pechiney of France and VAW of Germany. In their own countries, Alval of Greece, Alusuisse of Switzerland, Inpresa of Spain and Grangefield of Sweden support Acres' efforts.

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Can recycling continues to climb outside US

By Kenneth Gooding, Mining Correspondent

Aluminium beverage can recycling rates – which the aluminium industry promotes heavily to give itself a "green" image – continued to climb last year in Europe and Japan but seem to have reached a plateau in the US, by far the biggest market for this packaging.

Apart from giving the right image, cans provide the industry with cheaper metal because if they can be recycled on a "closed loop" system (from cans to scrap)

and back to cans again) they save as much as 95 per cent of the energy needed to produce new aluminium. Also, the capital cost of a recycling plant is only ten units of that for a smelter.

Aluminium Can Recycling Europe (Acre) says that 83,000 tonnes of aluminium beverage cans were recycled in Europe last year, taking the recycling rate up from 30 per cent in 1994 to 35 per cent. However, not all this metal went back to make new cans.

Acre says that last year the aluminium can exceeded

five years ahead of the official schedule, the minimum recycling target set by the European Union Directive on Packaging and Packaging Waste.

In Japan, the Aluminium Can Recycling Association (Acra) says that 83,000 tonnes of aluminium beverage cans were recycled in Europe last year, taking the recycling rate up from 30 per cent in 1994 to 35 per cent. However, not all this metal went back to make new cans.

Acre says that last year the aluminium can exceeded

this way in Japan. This result put Japan's recycling rate above that of the US for the first time. In the States the rate dipped slightly last year compared with 1994 to 62.2 per cent.

Japan remains a long way behind Sweden, however, where a mandatory deposit scheme has boosted the recycling rate to 91 per cent, according to Acra statistics.

Also among the Europeans, the Swiss and the Icelanders, with rates of 85 and 80 per cent respectively, are enthusiastic aluminium can recyclers.

The industry remains determined to push the rate ever upward. The US Aluminium Association says it is still committed to recycling every aluminium can while Acra reckons that the European rate will reach 50 per cent by 2003.

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Venalum makes peace gesture to Japanese partners

By Ray Collitt in Caracas

In a move apparently intended to overcome a seven-month-old row with its Japanese partners, the Venezuelan state aluminium refiner Venalum, which is earmarked for privatisation later this year, plans to ship 14,000 tonnes of ingot to Japan in early September.

News of the shipment comes only days before a 15-

member delegation of Venezuelan government authorities and Venalum representatives are scheduled to arrive in Tokyo for negotiations over veto rights of the Japanese consortium, which holds a 20 per cent share in Venalum.

A senior Venalum official admitted yesterday that the aluminium ingot shipment was scheduled for early September but would not comment on local press

reports that the government could threaten to expropriate the Japanese consortium if it refused to sell its veto right.

One alternative reported to be under consideration is to compensate the Japanese partners with larger annual shipments of aluminium.

Venalum halted aluminium ingot shipments to its Japanese partners six months ago in an attempt to

pressure them their rights of veto, which, the government said, would reduce the company's value when it was put up for sale.

Venalum argued, moreover, that its commercial agreement with the Japanese investors had expired in December.

The Venezuelan government had also faced objections to its privatisation plan by several members of the board of directors of the

Corporación de Guayana (CVG), the state holding company, which were subsequently removed.

The Japanese consortium, which is made up of Showa Denko, Kobe Steel, Sumitomo Chemical Company and the Mitsubishi Metal Corporation, has held a share in Venalum since the company's establishment in 1974.

Venalum is one of three companies in an aluminium

complex that is to be privatised towards the end of the year.

Its administration was merged with CVG Bauxite, which has a capacity of 5.36m tonnes of bauxite a year and to produce 2m tonnes of refined aluminium. Venalum's annual output amounts to 617,544 tonnes of refined aluminium, resulting in combined annual sales of US\$371m.

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Shanghai
warehouses
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MARKET REPORT

Another record closing high for Footsie

By Steve Thompson,
UK Stock Market Editor

A revival of confidence in international bond markets following the decision of the Bundesbank Council to reduce its repo rate quickly lifted share markets and saw many of London's leading stocks power ahead to new records yesterday.

The Bundesbank's move, which was followed by similar action by the Bank of France and elsewhere in Europe, was the second piece of good news on global interest rates this week, after the US Federal Reserve's decision not to lift interest rates on Tuesday.

Strategists said there was widespread relief as the news became known. The Bundesbank's move was said to have been put in jeopardy by a stronger-than-expected survey of business confidence in Germany on Wednesday, which was followed by a sharp sell-off in bonds and also affected US bonds.

The FT-SE 100 index closed just below the day's best levels, with a net 1.90 gain to 3,891.1 – an all-time closing high.

At the session high, reached only minutes before London closed, the index touched 3,891.9, only 2.5 points below its previous intra-day peak on Wednesday.

Second line stocks were also being chased higher, with the FT-SE Mid 250 index closing 15.1 ahead at 4,402.5.

Turnover in equities continued at recent enhanced levels, eventually reaching the 850m share mark at the 8pm count. Unusually, turnover was concentrated mostly in the FT-SE 100 stocks which accounted for over 55 per cent of the total.

London's strength at the close of business was in sharp contrast to the trend at the outset of trading, when share prices were uncertain and prone to bouts of selling pressure in the wake of Wall Street's overnight fall.

A fresh and severe fall in shares in BAT Industries, the tobacco and insurance group, after yet more bearish news from the US, upset sentiment in London. BAT shares have fallen 18 per cent this month.

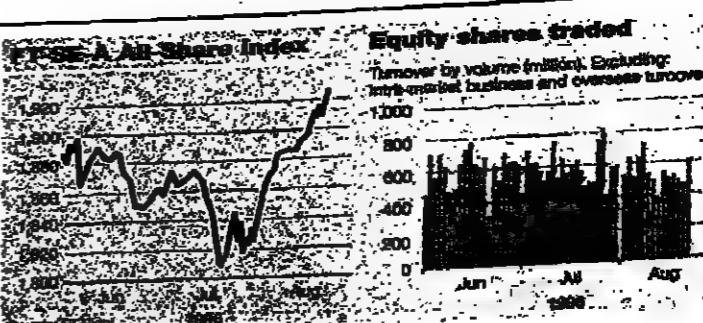
Prudential caught the eye on the upside, as dealers noted extremely heavy trading in the options and the underlying stock ahead of results expected next month. Talk of potential European mergers and a trade sale of Prudential & General subsidiary were greeted with scepticism.

Senior dealers said they expected Footsie to take another dash

at the 3,900 level this morning. "There is a tube strike in London tomorrow and the futures boys will try to take advantage of any poor attendance in the market to get their own way," one said.

The value of retail business in stocks crept up to £1.65bn on Wednesday, the highest level for over two weeks.

Unusually high levels of activity in Footsie issues was attributed to BAT, where turnover jumped to 24m shares, the fourth highest session total for two years. Hanson, which owns Imperial Group, the UK tobacco group, was also heavily traded, with 21m shares changing hands.



Indices and ratios

FT-SE 100	3891.1	+1.9	FT Ordinary index	2821.8	+1.4
FT-SE Mid 250	4402.5	+15.1	FT-SE A Non Pms p/c	17.39	17.33
			FT-SE 100 Pm Sep	3504.0	+26.0
FT-SE A All Share	1922.49	+8.30	10 yr Gilt yield	7.84	7.84
FT-SE A All Share yield	3.83	3.85	Long gilt/equity yield ratio	2.13	2.13

Worst performing sectors

1 Life Assurance	-4.2	-4.2
2 Building Mater	-1.4	-1.4
3 Gas Distribution	-1.3	-1.3
4 Water	-1.3	-1.3
5 Telecommunications	-1.1	-1.1

FUTURES AND OPTIONS

FT-SE 100 INDEX FUTURES (JIFFE) £25 per full index point	(APT)
Open	Bett price
Sep 3820.0	3930.0
Dec 3820.0	3925.0
	+25.0
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	330

FT-SE 100 INDEX FUTURES (JIFFE) £10 per full index point	
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NYSE PRICES

4 pm close August 22

High	Low	Stock	Div	Yd	1/4	5/8	10/8	High	Low	Cost	Prev.	Close	Chg	1000	High	Low	Stock	
Continued from previous page																		
205	12	SDG&G	0.06	0.0182	1851	14 ¹	14 ¹	14	14 ¹	14	14 ¹	14 ¹	14 ¹	14 ¹	217	15 ¹	TempEx	
21	17	Schenk	0.10	0.05	17	17	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	74	64	TempEx	
47	30 ¹	SGS Solut	0.32	1.2	25	30	34 ¹	40 ¹	40 ¹	40 ¹	40 ¹	40 ¹	40 ¹	40 ¹	72	64	TempEx	
104	134	Schulman	0.02	0.1		254	134 ¹	134 ¹	134 ¹	134 ¹	134 ¹	134 ¹	134 ¹	134 ¹	225	163	TempEx	
13	11	Sediment	0.16	0.12		163	163 ¹	163 ¹	163 ¹	163 ¹	163 ¹	163 ¹	163 ¹	163 ¹	592	454	TempEx	
205	15	SDG&G	0.17	0.9	25	2	19	19	19	19	19	19	19	19	276	114	TempEx	
16	15	SDG&G 4852	1.46	0.6		2100	154 ¹	154 ¹	154 ¹	154 ¹	154 ¹	154 ¹	154 ¹	154 ¹	144	11	TempEx	
574	354	Systech	0.26	26.239	55 ¹	55 ¹	55 ¹	55 ¹	55 ¹	55 ¹	55 ¹	55 ¹	55 ¹	55 ¹	145	8	TempEx	
301	30 ¹	Syngas	0.80	1.8	23	1420	34 ¹	34 ¹	34 ¹	34 ¹	34 ¹	34 ¹	34 ¹	34 ¹	26	55	TempEx	
26	17 ¹	Syngas En	0.20	1.8	11	11.077	16 ¹	16 ¹	16 ¹	16 ¹	16 ¹	16 ¹	16 ¹	16 ¹	32	55	TempEx	
39	26	Syngas At	0.54	1.7	20	75	35 ¹	35 ¹	35 ¹	35 ¹	35 ¹	35 ¹	35 ¹	35 ¹	59	50	TempEx	
525	354	Syngas	0.02	2.0	17	7773	47 ¹	47 ¹	47 ¹	47 ¹	47 ¹	47 ¹	47 ¹	47 ¹	402	402	TempEx	
225	19 ¹	Syngas Syst	1.24	5.0	10	361	21 ¹	21 ¹	21 ¹	21 ¹	21 ¹	21 ¹	21 ¹	21 ¹	256	256	TempEx	
13	11 ¹	Syngas Sol	0.04	0.8		163	152 ¹	152 ¹	152 ¹	152 ¹	152 ¹	152 ¹	152 ¹	152 ¹	145	11	TempEx	
225	12 ¹	Syngas	0.22	1.2	14	1420	15 ¹	15 ¹	15 ¹	15 ¹	15 ¹	15 ¹	15 ¹	15 ¹	145	11	TempEx	
441	21 ¹	Syngas	0.80	1.4	51	75	44 ¹	44 ¹	44 ¹	44 ¹	44 ¹	44 ¹	44 ¹	44 ¹	145	8	TempEx	
301	30 ¹	Syngas	0.50	1.0	55	12	160 ¹	40 ¹	40 ¹	40 ¹	40 ¹	40 ¹	40 ¹	40 ¹	32	55	TempEx	
504	354	Syngas En	0.47	0.7	26	1893	58 ¹	58 ¹	58 ¹	58 ¹	58 ¹	58 ¹	58 ¹	58 ¹	402	402	TempEx	
225	18 ¹	Syngas	0.68	2.8	15	758	22 ¹	22 ¹	22 ¹	22 ¹	22 ¹	22 ¹	22 ¹	22 ¹	256	256	TempEx	
4	4 ¹	Syndicat	0.08	10	1653	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	44	44	TempEx	
451	26 ¹	Systech	1.08	2.0	36	1843	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
125	10 ¹	Syntex	0.32	2.6	14	148	12 ¹	12 ¹	12 ¹	12 ¹	12 ¹	12 ¹	12 ¹	12 ¹	145	145	TempEx	
47	38	Syntex	0.70	1.5	18	1430	45 ¹	45 ¹	45 ¹	45 ¹	45 ¹	45 ¹	45 ¹	45 ¹	276	195	TempEx	
135	7 ¹	Syntex	0.75	1.5	18	15138	91 ¹	91 ¹	91 ¹	91 ¹	91 ¹	91 ¹	91 ¹	91 ¹	145	145	TempEx	
225	14 ¹	Syntex	0.10	0.5	47	514	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	20 ¹	145	145	TempEx	
1	1 ¹	Syntex	1.18	4.8	11	365	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	145	145	TempEx	
274	21	Syntex En	0.80	1.2	14	1872	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	341	243	TempEx	
305	20 ¹	Syntex	0.50	1.0	55	12	160 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	402	402	TempEx	
225	24 ¹	SyntexEn	0.80	1.2	14	1872	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	341	243	TempEx	
94	7 ¹	Syntex	0.88	10.2	26	65	81 ¹	81 ¹	81 ¹	81 ¹	81 ¹	81 ¹	81 ¹	81 ¹	145	145	TempEx	
41	4 ¹	Syntex	0.18	0.1	0	2165	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	24 ¹	145	145	TempEx	
225	24 ¹	Syntex	0.88	2.3	13	222	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	145	145	TempEx	
71	5 ¹	Syntex	0.08	0.6	13	129	10 ¹	10 ¹	10 ¹	10 ¹	10 ¹	10 ¹	10 ¹	10 ¹	145	145	TempEx	
265	15 ¹	Syntex	0.36	0.6	28	3035	105 ¹	105 ¹	105 ¹	105 ¹	105 ¹	105 ¹	105 ¹	105 ¹	145	145	TempEx	
505	40 ¹	Syntex x	0.05	0.6	22	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx
31	21 ¹	Syntex Pd	0.08	0.2	1	222	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	25 ¹	341	243	TempEx	
225	18 ¹	Syntex Pd x	0.02	0.2	16	63	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	145	145	TempEx	
47	41	Syntex Pd	0.02	0.2	16	63	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	145	145	TempEx	
225	25 ¹	Syntex Pd x	0.02	0.2	16	63	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	17 ¹	145	145	TempEx	
47	31 ¹	Syntex	1.04	2.4	17	1834	37 ¹	37 ¹	37 ¹	37 ¹	37 ¹	37 ¹	37 ¹	37 ¹	145	145	TempEx	
305	25 ¹	Syntex x	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	30 ¹	145	145	TempEx	
505	57 ¹	Syntex	0.05	0.2	17	450	30 ¹	30 ¹	30 ¹ </td									

Yesterdays high and lower for NYSE reflect the period from Jan 1. Unless otherwise noted, rates of dividend are annual dividends or the latest declaration. Stock Splits are modified.
1-day very low, P/E price-earnings ratio, div-yield, d=dividend, x=ex-dividend or ex-right, p/b=price-to-book, 3-month in bold, 4=Dividends suspended.

AMEX PRICES

6 nov. 2008, Austral 25

Year	Class	Change		Price	Min	Max	High	Low	Close
			Stock	Div.	Y 100s	100s	100s	100s	100s
1994	114	-14							
1995	154	-14	AT&T	5	330	103 ¹	92 ¹	104 ¹	
1996	154	-14	Pegasus B	0.10118	1547	117 ¹	115 ¹	117 ¹	
1997	6	-6	Perf	0.00	1	54	103 ¹	105 ¹	104 ¹
1998	114	-14	Philip Morris	0.33	13	51	43 ¹	42 ¹	42 ¹
1999	114	-14	PNC	1.12	11	182	134 ¹	125 ¹	125 ¹
2000	114	-14							
2001	74 ¹	-14							
2002	74 ¹	-14							
2003	154	-14							
2004	144	-14							
2005	144	-14							
2006	144	-14							
2007	144	-14							
2008	144	-14							
2009	144	-14							
2010	144	-14							
2011	144	-14							
2012	144	-14							
2013	144	-14							
2014	144	-14							
2015	144	-14							
2016	144	-14							
2017	144	-14							
2018	144	-14							
2019	144	-14							
2020	144	-14							
2021	144	-14							
2022	144	-14							
2023	144	-14							
2024	144	-14							
2025	144	-14							
2026	144	-14							
2027	144	-14							
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2029	144	-14							
2030	144	-14							
2031	144	-14							
2032	144	-14							
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2168	144	-14							
2169	144	-14							
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2197	144	-14							
2198	144	-14							
2199	144	-14							
2200	144	-14							
2201	144	-14							
2202</									

NASDAQ NATIONAL MARKET

NASD

- C -													
C-Tec	31 382	254	244	244									
CardSweep	1.04 15	5	32	317	32								
CashNetCom	10.20 16	2611	152	133	133	+1							
Chart Cpt	33 1481	94	94	94									
Chiquita	2.25 1	321	5	5	5	-1							
Chilis	18 547	132	13	13	13	-1							
Chimie	28 185	57	54	54									
Chitco	20 502	27	23	23	-2								
Chisen Inc	0.92 31	39	57	56	56	-1							
ChitronCm	0.22 18	70	32	37	37	-1							
Chittenden	0.38 13	1128	122	124	124	-1							
Chixey S	0.10 17	2565	182	172	18	-1							
Chilco	6 261	94	84	84	-1								
Chim Cpt	13 15	111	104	107	-1								
Chitco	451613	351	324	324	-1								
Chitco Fid	0.88 12	316	23	23	23	-1							
Chitco Spr	7 225	18	16	16	17								
Chittenden	13 32	6	6	6									
Chitco 1	0.82 33	2324	38	38	38	-1							
ChitcoSh	0.09 512555	71	71	71	-1								
ChitcoSh	1 1333	51	51	51									
ChitcoSh	13 12	124	124	124	-1								
ChitcoSh	0.72 20	10	4	4	4								
ChitcoSh	9 2668	111	105	105	-1								
Chitco Cpt	321817	162	152	152	-1								
Chitco Fin	1.4 14	434	55	55	55	-1							
Chitco Cpt	0.25 33	132	533	533	533								
Chitco	55 1144	176	172	175	-1								
Chitco	15 6228	162	156	156	-1								
ChitcoSyst	4250312	57	562	575	575	-1							
Chitco	1.18 13	31	302	304	-1								
Chitco Hr	1 129	21	2	2									
Chitco Dr	15 381	29	28	28	-1								
ChitcoCmB	1.00 19	71	344	34	34	-1							
Chitco Name	5 10	32	32	32									
Chitco Cpt	19 1222	14	134	14	-1								
Chitco	26 400	22	22	22	-1								
Chitco	16 517	404	392	386	-2								
Chitco	0.20 7	425	194	194	-1								
Chitco	1.30 11	102	94	23	23	-2							
Chitco	0.18 14	2280	214	202	213	-1							
Chitco	0.00145 1204	161	154	161	-1								
Chitco	0.00145 7912	16	15	15	-1								
ChitcoSh	0.76 11	258	354	347	347	-1							
ChitcoCm	36 223	303	304	303	-1								
ChitcoSh	1 723	67	67	67									
ChitcoSh	500 3101	121	114	12	-1								
ChitcoSh	15 778	144	132	132	-1								
ChitcoSh	7 7029	151	111	111	-1								
ChitcoSh	56 67	5	5	5	-1								
ChitcoSh	26 2188	20	20	20	-1								
Chitco	0.50 16	1140	184	184	184	-1							
Chitco	0.50 16	1140	184	184	184	-1							
Chitco	75 783	64	54	54	-1								
Chitco	0.50 10	75	30	30	-1								
Chitco	18 1835	132	124	124	-1								
Chitco	0.02 201207	25	22	22	-1								
Chitco	22 858	4	3	4	-1								
Chitco	46 782	64	54	62	-2								
Chitco	4 709	114	11	114	-1								
Chitco	18 9449	154	15	154	-1								
Chitco	5 15338	94	84	84	-1								
- D -													
DSG Cm	2714622	30	28	28	28	-1							
David Gru	0.13 10	6	8	8	8								
David Gru	3 373	4	4	4	-1								
David Gru	16 355	174	172	172	-1								
David Gru	1.14 13	364	295	285	293	-1							
David Gru	0.20 17	962	56	56	56	-1							
David Gru	0.28 31	380	324	304	324	-1							
David Gru	10 344	214	214	214	-1								
David Gru	0.00 17	214	204	217	-1								
David Gru	60 33948	564	556	544	534	-1							
David Gru	0.00 17	214	214	214	-1								
- E -													
HindLew	30 1881	8	8	8	8	-1							
HarleyM	0.78	9	225	25	25	-1							
Harper Sp	0.34 15	372	195	184	192	-1							
HBO & Co	0.16 8114631	502	50	50	50	-1							
Healthcar	21 308	44	42	42	44	-1							
Healthcare	0.08 13	8	5	5	5	-1							
HatchTech	19 280	52	54	54	-1								
Hochschild	0.18 20	205	4	4	4	-1							
Hedding	11 551	104	102	105	-1								
HelenTroy	8 33	14	13	13	14	-1							
Heroff	0.80 16	513	14	13	13	-1							
Hologic	48 1150	41	38	40	-2								
Homes Bmt	0.08 11	238	25	25	25	-1							
Hon Indu	0.20 18	341	32	34	34	-1							
Hornbeam	10 204	341	32	34	34	-1							
Horseshoe	0.44 14	3	54	54	54	-1							
Hunt J.B.	0.20 144	265	27	27	27	-1							
Hunting	0.80 12	733	22	22	22	-1							
Hunting	0.80 12	733	22	22	22	-1							
Hunting	0.80 12	733	22	22	22	-1							
Hunting	0.80 12	733	22	22	22	-1							
- F -													
Novelus	6 3552	30	31	30	31	-1							
NPC Int	0.4	55	5	5	5	-1							
NPC Corp	17	10	1	1	1	-1							
- G -													
O'Charleys	43 122	111	11	11	111	-1							
Ocean Com	29 2758	127	12	27	12	-1							
Odilets A	20 593	112	98	102	102	-1							
OdsenSh	0.48 16	355	12	12	12	-1							
Odebrecht	12 214	5	4	4	4	-1							
Odebrecht	1.20 11	5	4	4	4	-1							
Odebrecht	1.20 11	5	4	4	4	-1							
Odebrecht	1.20 11	5	4	4	4	-1							
- H -													
Tom Brown	108	388	152	144	152	-1							
Topps Alp	1	160	225	22	22	-1							
Topps Co	0.28 30	827	5	4	4	-1							
TPP Enter	6	3	34	34	34	-1							
TransWld	2	24	57	57	57	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
- I -													
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
- J -													
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
TransWld	18 211	59	54	54	54	-1							
- K -													
K Swiss	0.08 30	8	10	10	10	-1							
Kassen Cpt	0.44 11	164	104	102	102	-1							
Kelly Br	0.04 14	258	22	27	24	-1							
Kinstad	0.02 15	214	33	32	32	-1							
KLA Instr	0.747467	21	20	21	-1								
Koal A	0 120	24	24	24									
Kongreg Inc	7 5237	23	22	23	-1								
Kulicke S	0.16 12	602	114										

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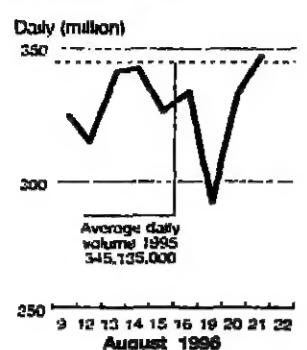
AMERICA

Dow climbs, tobaccos still in ferment

Wall Street

US stocks were posting some of their strongest gains of the month yesterday morning in the wake of a rally in Europe spurred by the German rate cut, writes Richard Tomkins in New York. An advance by technology stocks gave an additional boost to the rally.

At 1 pm the Dow Jones Industrial Average was up 116.30 points.



up 8% at \$25.61.

PepsiCo was up 8% at \$31, regaining all of the ground lost after Coca-Cola replaced the Pepsi-Cola bottler in Venezuela, and Coca-Cola was up another 8% at \$51.91. ValuJet was off 8% at \$10.90 on reports that it would not start flying again until September after its grounding by the Federal Aviation Administration earlier this year.

Some of the biggest gains of the morning were in the technology sector, where Silicon Electronics shot up 8% to \$15.2 after American agreed to buy at least 3m digital set-top boxes for more than \$1bn. Among blue chip technology stocks, IBM was up 8% at \$13.83.

Compleat Research rose 8% at \$8.6 after winning a large US Navy radar systems contract, but SCL slumped 8% to \$18.4 on concerns about disappointing third-quarter product yields.

Canada

Toronto scraped another rise at noon as the Bank of Canada followed Europe with a 25 basis point cut in its key rate. The TSE 300 composite index, lifted by a near-percentage point gain in golds, rose 1.88 to 1,668.96 in volume of 49.2m shares.

The IncoScor group moved both ways as its CT subsidiary sold its US subsidiary to Maricne Midland, the parent falling 65 cents to C\$27.15, but CT itself rising 75 cents to C\$27.55.

Newbridge Networks fell to begin with after Wednesday's big gain, but recovered to C\$83.35, up C\$1.25.

Buying lifts S Africa

Industrial shares in Johannesburg closed at intraday highs, helped both by offshore and local buying.

After selling almost R120m worth of shares in the past two sessions, foreign institutions rekindled their interest by buying blue chips.

The overall index gained 5.3 to 6,739.2 and some dealers remarked that the market's recently gloomy mood had lifted partially, but that gold stocks remained weak. The golds index lost 2.6 to 1,703.5.

Industrials advanced 82.9

Buenos Aires steady

After Wednesday's 3.4 per cent fall BUENOS AIRES was holding its own in mid-session trading. The Merval index was up 1.19 at 149.25.

Investment sentiment was hurt earlier this week as fears emerged that an economic programme designed by the government to rein in the budget deficit might take until October to be passed by congress. Over the last two sessions the Merval index had fallen 5 per cent.

Domestic media reports yesterday quoted economy ministry advisors as saying that the delay in getting the fiscal programme in place could mean that the government would lose about 30

per cent of the expected 1.3bn pesos in revenue that it had hoped to raise this year.

MEXICO CITY continued to lose ground during the morning session as profit-taking took hold. The IPC index was down 23.33 at 3,34.07 by midday.

SAO PAULO was slightly lower by midsession, with the Bovespa index down 4.43 or 0.7 per cent at 62,705.

CARACAS, which hit a historic closing high on Wednesday, was unable to go any higher as profit-taking took hold. The IBC index eased 26.25 to 4,674.16. Turnover was 2.2bn bolivars (\$4.7m).

FT/S&P ACTUARIES WORLD INDICES

WEDNESDAY AUGUST 21 1996											TUESDAY AUGUST 20 1996											— DOLLAR INDEX —										
US		Pound		Local		Local		Gross		US		Pound		Local		Local		Gross		US		Pound		Local		Local		Gross		US		
Day's	Change	Yen	DM	Yen	DM	Yen	DM	Yen	DM	Day's	Change	Yen	DM	Yen	DM	Yen	DM	Yen	DM	Day's	Change	Yen	DM	Yen	DM	Yen	DM	Yen	DM			
Australia (20)	-207.28	1.4	189.17	141.87	159.66	174.81	1.0	4.19	203.43	195.98	159.99	-0.5	158.29	172.93	1.8	172.93	178.28	178.48	178.48	-0.2	2.04	178.48	178.58	122.18	123.05	180.04	180.11	148.49	148.58			
Austria (24)	-179.03	0.3	171.18	122.87	137.90	137.83	-0.2	0.04	178.48	178.58	122.18	-0.1	138.15	140.82	1.1	140.82	141.00	141.00	141.00	-0.2	0.04	141.00	141.00	123.05	123.05	180.04	180.11	148.49	148.58			
Belgium (27)	-214.44	0.3	171.18	122.87	137.90	137.83	-0.2	0.04	178.48	178.58	122.18	-0.1	138.15	140.82	1.1	140.82	141.00	141.00	141.00	-0.2	0.04	141.00	141.00	123.05	123.05	180.04	180.11	148.49	148.58			
Denmark (20)	-179.50	-0.6	171.71	123.23	136.34	133.33	-0.5	1.90	180.71	173.16	123.75	-0.2	139.92	145.70	1.1	145.70	146.70	146.70	146.70	-0.1	1.90	146.70	146.70	123.75	123.75	180.04	180.11	148.49	148.58			
Canada (118)	-103.11	0.3	155.93	111.88	125.65	126.28	0.4	2.21	162.54	155.75	111.30	-0.1	161.64	165.12	1.3	165.12	164.14	164.14	164.14	-0.1	0.4	164.14	164.14	126.85	126.85	180.04	180.11	148.49	148.58			
Denmark (20)	-318.74	-0.1	304.79	218.18	245.63	248.25	-0.6	1.86	319.23	305.98	218.60	-0.1	247.17	246.70	218.28	218.28	218.28	218.28	218.28	-0.1	1.86	218.28	218.28	126.85	126.85	180.04	180.11	148.49	148.58			
Finland (23)	-209.60	0.2	209.40	143.47	161.48	169.66	-0.1	2.54	209.02	200.28	143.13	-0.1	196.58	206.27	111.30	111.30	177.11	177.11	177.11	-0.1	2.54	196.58	206.27	126.85	126.85	180.04	180.11	148.49	148.58			
France (151)	-179.29	0.1	166.07	123.45	135.41	134.51	-0.6	1.86	176.00	168.64	120.52	-0.1	136.27	136.27	127.78	127.78	156.88	156.88	156.88	-0.1	1.86	136.27	136.27	127.78	127.78	180.04	180.11	148.49	148.58			
Germany (24)	-179.88	0.9	141.67	29.99	137.15	143.54	0.9	3.37	133.81	415.88	297.06	0.9	430.77	431.98	49.11	49.11	434.98	434.98	434.98	0.9	3.37	434.98	434.98	297.06	297.06	180.04	180.11	148.49	148.58			
Italy (21)	-188.88	0.4	178.67	127.92	143.35	143.54	0.9	1.77	185.23	177.54	126.88	1.0	143.48	250.07	126.55	126.55	250.07	250.07	250.07	1.0	0.7	250.07	250.07	126.55	126.55	180.04	180.11	148.49	148.58			
Ireland (16)	-284.48	0.4	271.98	194.72	219.12	248.71	-0.7	3.51	285.72	273.77	195.65	-0.2	210.22	250.82	122.18	122.18	250.82	250.82	250.82	-0.2	0.7	250.82	250.82	122.18	122.18	180.04	180.11	148.49	148.58			
Japan (481)	-149.86	0.8	142.43	101.93	114.75	101.96	0.7	0.75	147.82	141.84	101.22	-0.1	101.22	146.83	137.57	137.57	146.83	146.83	146.83	-0.1	0.75	146.83	146.83	137.57	137.57	180.04	180.11	148.49	148.58			
Malta (107)	-555.35	1.3	530.93	380.15	427.89	523.11	1.8	1.68	540.53	522.74	373.47	0.5	322.88	522.88	505.27	505.27	505.27	505.27	505.27	0.5	1.68	505.27	505.27	373.47	373.47	180.04	180.11	148.49	148.58			
Mexico (19)	-1310.49	-0.6	1262.59	897.00	1029.49	1027.53	0.7	1.27	1302.49	1248.99	892.58	0.1																				